

# *The* NATIONAL UNDERWRITER

*Life Insurance Edition*



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**FRIDAY, NOVEMBER 16, 1951**

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*Our 2nd Century*

Founded 1850

**THE MANHATTAN LIFE  
INSURANCE COMPANY**  
*of New York*

Home Office: 120 West 57th Street, New York 19, N. Y.

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## Thore Sees Jan. 1 as Earliest Date for 'Fringe' OKs

**Believes WSB Will Also  
Approve 10% Catch-Up  
for Commissions**

Jan. 1 is probably the earliest that any approvals of employee benefit plans by the wage stabilization board should be expected, said Eugene M. Thoré, general counsel of Life Insurance Assn. of America, at the annual meeting of L.I.A.M.A. at Chicago this week.

Mr. Thoré also said that as a result of recent hearings by a WSB panel a recommendation is expected soon that will permit commission increases to agents which will take into account the aggregate commissions paid on the volume of business done during a base period, allowing an increase in commission rates which will produce an aggregate earning on the same volume not in excess of 10% of the earnings during the base period.

On the other hand, said Mr. Thoré, the salary stabilization board, according to press reports, has already given Administrator a recommendation at variance with the probable wage board recommendation. The salary board's plan, according to fragmentary information, would permit no increase in commission rates unless "necessary to correct group inequities such as maintaining an individual's income at 1950 levels."

### Jurisdiction Is Divided

Mr. Thoré explained that the salary board controls commissions of non-unionized agents while the wage board controls those of unionized agents. This division disregards distinctions based on whether agents are compensated by salary or straight commission. He said it is doubtful that the stabilization administrator will adopt inconsistent regulations dealing with outside salesmen compensated by commission.

Though mentioning Jan. 1 as the earliest likely approval date for fringe benefit programs and major amendments, Mr. Thoré let in a ray of hope for possible earlier action by noting the considerable pressure that the board is under for prompt action.

The majority report submitted by the labor and public members of the WSB tripartite panel dealing with fringe benefits is "vague and ambiguous" as respects the treatment of vesting, said Mr. Thoré. It leaves the impression, he said, that if no cash is payable prior to death, disability or attainment of age 65, board approval would not be necessary. However, he said that Wilbur Cohen of the social security administration, chairman of the panel, has since advised that all plans involving any form of vesting would be subject to approval of the board.

"It is also the intent of the majority recommendation that the board would approve certain existing bureau of in-

## Minority Report of WSB Panel Hit by Segal

Martin E. Segal, New York welfare plan consultant, sharply criticized the opinion of the minority panel of the Wage Stabilization Board on health, welfare and pension plans in a talk before the New York City Life Supervisors Assn.

In submitting its recommendations the minority panel gave little or no weight to the independent and carefully documented approach taken by the panel majority in its report, he said.

### Interprets Intent

He disputed the minority report's contention that Congress, under the Defense Production Act, intended all forms of compensation to be stabilized. He pointed to a section of the act which says that Congress' intent in regard to health, welfare and pension plans is to protect the national economy against the loss of needed purchasing power by the dissipation of individual savings. Mr. Segal said that unless employees have adequate group insurance they will be forced to draw on their savings, borrow, or second mortgage their property, and that this would definitely be inflationary.

Mr. Segal said that the minority report ignored the difficulties of establishing appropriate point values for the many and varied eligibility provisions contained in health, welfare and pension programs and of establishing equitable permissive levels. He said it also ignored the difficulties faced by employers and employees and the public in understanding and translating permissive levels expressed mathematically into actual benefits.

He said that the method of stabilization suggested by the minority would involve complexities of such scope and magnitude that its use by the board would result in widespread confusion.

### Complex and Confusing

It is impossible to require the establishment of industry and area average levels throughout the country because of the great variation among groups as to size, sex, average age and so forth, he argued. The minority formula fails to permit the removal of the existing disparity between and within industries and areas and tends to freeze the evolution of programs at their present and

## Prudential, AFL Resume Discussion

Negotiations between Prudential and Insurance Agents International Union (AFL) on a new contract covering some 15,000 of its district agents in 35 states and Washington, D. C., have been resumed at New York. The union had terminated the existing contract effective Dec. 1.

Agreement to resume the talks, which the union broke off Oct. 19, came after conferences among representatives of the union, the company and the federal mediation and conciliation service.

## Harris President of Great-West

Joseph Harris of Winnipeg, a director, has been named president of Great-West Life. He succeeds W. P. Riley, who has resigned, but remains a director. H. E. Sellers vice-president, has been appointed chairman. Victor Siston, publisher of the Winnipeg Free Press, has been named vice-president.

The chief executive officer of the company is H. W. Manning, vice-president and managing director.

## Hoxie Hartford Speaker

David F. Hoxie, associate general counsel of National Life of Vermont, spoke at a meeting of the Hartford C. L. U. chapter on "Making the Business Purchase Agreement Just and Workable."

The large companies spring conference of L.I.A.M.A. has been set for May 5-7 at the Westchester Country Club, Rye, N. Y.

partially developed stage. This will not result in a sound basis for long range stabilization policies, he contended.

Mr. Segal said that group insurance has not impeded the growth of ordinary. On the contrary, he said it has encouraged its growth. Group insurance frequently reveals the need for additional individual insurance, he said, urging agents and brokers to give more attention to it. It should not be abandoned to the relatively few who have specialized in it, he suggested, in advocating more education on group for agents and brokers.

## L.I.A.M.A. Sessions Jammed by Agency Men with Problems

**Agents' Compensation  
Top Question, Stress  
More Early-Year Pay**

By ROBERT B. MITCHELL

Unusually keen interest in such matters as agents' compensation, agency costs, and Washington developments, was apparently responsible for the near-record attendance at the annual meeting of L.I.A.M.A. this week at Edgewater Beach hotel, Chicago.

For example, the meeting Tuesday of the committee on compensation had such a heavy overflow attendance that it could well have been held in the ballroom. Agency officers crowded the doorways trying to catch what they

### NEW OFFICERS ELECTED

President—Harry S. McConachie, vice-president and superintendent of agents, American Mutual, Des Moines.

Directors—Harry Anderson, vice-president, Life of Virginia; Edwin A. Phillips, superintendent of agencies, Standard of Oregon; Richard E. Pille, vice-president in charge of agencies, Mutual Benefit Life; A. E. Wall, vice-president in charge of agencies, Confederation Life.

Date of next annual meeting—Nov. 17-21, Edgewater Beach hotel, Chicago.

could of what was being said, and many others who did not arrive so early were forced to pass up the meeting, much as they would have liked to attend.

That committee brought out many points of view on the widely discussed subject of what agents' commission rates should be. Executives of companies that have increased the commission rates in recent months described the changes and the basis for them.

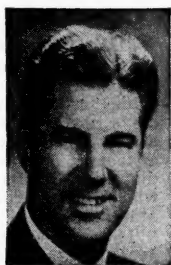
### More Pay in Early Years

Interest in the discussions seemed to center on paying agents more in the earlier years including the first year. There was not much talk about pensions and service fees. One company paid its agents renewals of 12% in the second and third years, tapering off from there. That was the maximum renewal commission of any of those discussed.

The discussion of agents' compensation was particularly timely because hearings are scheduled on New York's expense limitation section later this month before the Condon committee of the New York legislature.

Another committee meeting that drew a large attendance—in fact, it was moved to the ballroom to accommodate the gathering—was on relations with other organizations. E. M. Thoré, general counsel of Life Insurance Assn. of America, gave a talk on the various Washington situations, affecting life insurance. It is reported elsewhere in this issue. Charles Campbell, manager at Newark for Prudential, told about the progress that the general agents and the managers conference of National

(CONTINUED ON PAGE 25)



Eugene M. Thoré



Olen E. Anderson, vice-president of John Hancock, and retiring president of L.I.A.M.A., and Charles J. Zimmerman, managing director of L.I.A.M.A., at the annual meeting of L.I.A.M.A. in Chicago.

(CONTINUED ON PAGE 24)

## Hellgren Gives Warning on Future of Group A. & H.

"The lid is off" in the group insurance field, J. E. Hellgren, vice-president and group department manager of Lumbermen's Mutual Casualty, commented in his address at the Mutual Fire & Casualty Institute at Charlotte, N. C. this week, warning that while this may be a healthy sign, in his opinion the business is taking a course which may ultimately prove unfortunate if every move is not actuarially sound.

As evidence to confirm his view, Mr. Hellgren said many companies today are becoming alarmed at their group loss ratios and are seeking some method of retrenchment by raising rates or canceling unfavorable risks. Perhaps the insurance industry as a whole should be criticized for having done too good a job in meeting the demands of the working public through group programs," he remarked.

### Want Full Coverage

"Where once the employee was content to have a very nominal benefit plan for himself, he is now somewhat dissatisfied unless he can obtain full coverage for himself, his dependents and his 'family relatives.' Moreover, he has come to expect the insurance plan to pay his and his family's full medical expenses."

The addition of these fringe benefits to the group program, Mr. Hellgren said, has been forced on the companies at one sitting. He mentioned occupational coverages, dependents' coverages, medical reimbursement, in-hospital medical benefits, non-disabling injury benefits, unlimited special hospital fees, polio, dependents' group life insurance. He questioned whether some of these coverages belong in the group picture, adding that he does not believe any coverage can be promoted on a group basis that is designed for a select few; for example, key personnel. Many of the rates were "picked out of a hat with actuarial precision," he stated.

He recalled that not so long ago the average employee received about one-third of his wages as reimbursement for loss of time and about 50% for hospital bills. The worker felt that coverage for his family was unnecessary so long as he had protection and his family partially covered. That era might be called the "good old days," Mr. Hellgren said. The companies could predict with a fair degree of accuracy the expected loss ratio and had a small margin of profit.

### Social Plans a Factor

Social trends have changed that picture and the companies are writing coverages which would have been termed "unsound and ridiculous" a few years ago. "It seems that the employee insists on complete reimbursement for any and all expenses he may have incurred as a result of his own or his dependents' illness," he said. Agitation for social plans has done much to influence the working man's opinion as to what should be expected in group insurance, Mr. Hellgren noted. The business is guilty to a degree of promoting such plans, although while doing so using the argument that it was acting to defend the public against socialized medicine.

As yet the companies generally and the producing agent have not become overly alarmed about compulsory insurance, the speaker declared. There are exceptions, one of them being the agent or broker who has devoted time to the group lines and is aware of the consequences he faces in his commission situation.

Mr. Hellgren reviewed briefly the disability plans in Rhode Island, California, New Jersey and New York, mentioning that California is the problem child state at the present. There the greatest variance from established compulsory disability principles went into effect with the addition of the \$8

a day hospital confinement for 12 days in a benefit year. This has made a difference of as much as 10% in some of the loss ratios.

Many states have proposed legislation to provide disability benefits on a compulsory basis, and Mr. Hellgren predicted that ultimately all states may have some form of compulsory disability benefits for workers following the pattern established in the development of workmen's compensation laws, for example.

While the insurance people would like to solve the problems of lost earnings occasioned by accident and sickness, "the fact remains that labor is forcing the issue faster than the sale of regular group insurance can close the gap between persons covered and those not covered. If we have sufficient time, the writing of regular group insurance plans will eventually see most of the United States workers covered and, through them, their dependents. Unfortunately, we may not have sufficient time and must then elect which of the necessary evils we want to support—compulsory disability benefits at the state level or on a national basis."

Mr. Hellgren added he is not convinced that proposed legislation would stop with group insurance. "There are not many more arguments why group accident and sickness should be compulsory than for having group life insurance compulsory," he commented. "It would be difficult to stop the states from going into more and more lines which could be extended into the fire and casualty field as well if the business does not do its part to stop legislation in other states."

Admitting an ulterior motive, Mr.

Hellgren said he thinks it is extremely important that producers who have not sold any group insurance start to do so at once. In compulsory states the producer must take it upon himself to spend some time with employers, making them realize what they are headed for if they choose the state fund. "It is hard for me to understand the lackadaisical attitude taken by the many employers both large and small, on a subject as vital as this one," Mr. Hellgren said. The employers must not only become interested in seeing that their employees are properly insured in private plans, but must begin to band together to fight proposed legislation in the 44 states not having such plans.

Selling group insurance is not as complicated as most agents believe, he explained. The majority of the companies will guide the agent and furnish trained salaried men to assist in closing the sale. Certain basic facts are necessary, but can easily be obtained, and a good start can be made with no more information than the number of male and female employees involved.

### Prudential Coast Leaders at San Francisco Regional

"Quarter-Millionaires" of Prudential in the territory under the jurisdiction of its western home office to the number of 917 attended a regional meeting at San Francisco.

Harry J. Volk, vice-president in charge of the western division, directed the discussions, with field men contributing to the pattern for future production activities, and reviewed the progress of the company since the establishment of the new western head office and the plans for its conduct.

In addition to the qualifiers, a large number of wives attended, making the total nearly 1,000. It was the largest company convention ever held at San Francisco.

## Insurance Stock Prices Boosted in Lively Trading

### Better Interest Earnings, Reliance Life Sale Viewed As Major Factors

NEW YORK — There is currently unusual activity in life insurance stocks, a section of the market that is usually fairly quiet because of the limited amount of such stock available.

Lincoln National's recent purchase of Reliance Life appears to have touched off the most recent phase, a feature of which was the purchase of 110,000 shares of Jefferson Standard stock for a reported \$4 to \$5 million.

Better interest earnings of life companies are credited by securities dealers with most of this upsurge in demand. Mortality improvement has been a factor, too, but it is less dramatic that the bettered interest earnings, which are up around ¾ of 1% since last March.

There is so little life insurance stock available that it doesn't take much trading to send the price up sharply. Life insurance stocks have long been popular among the well-to-do because many companies follow the policy of paying out in dividends considerably less than they earn. This inevitably has the effect of upping the price of the stock, the result being to let the holder sell out for a capital gain on which he can be taxed a maximum of 25% whereas the same amount in dividends might be taxed in his bracket at around 80%.

### Popular Trust Fund Investment

This capital gains feature also makes life company stocks popular with banks as investments for trust funds. They are not widely held by investment trusts, although Century Fund of Boston is reported to have bought 5,000 of the Jefferson Standard shares recently sold. The relatively favorable tax position of life companies is regarded by some dealers as contributing to the high regard in which life company stocks are held.

One factor that appears to be operating is that the word is going around that life insurance stocks are a good buy. Investors who are interested in insurance stocks, it is reported, are swinging away from fire and casualty stocks, which are in the doldrums, and buying life stocks. Many buyers, of course, are unaware of the distinction between life insurance on the one hand and fire and casualty on the other. They are almost on a par with investors in the boom of the '20s who bought Seaboard Air-line Railway stock because airline stocks were so highly touted.

### Says New Agents Still Must Qualify for the Business

In spite of selective service and growing defense industries, causing the present agency personnel shortage, the prospective agent should be challenged to qualify for the business, Jack W. Lawrence, general agent for Massachusetts Mutual, declared at a meeting of the Life Agency Supervisors Club of Chicago.

Mr. Lawrence said the business can be made attractive to men whose incomes are frozen, or to salesmen employed by non-defense companies whose production can be limited by material shortages. However, he pointed out, these men must be recruited on a strictly selective basis.



## Congratulations TO THE LEADERS

When Commonwealth tabulated the final results of its Industrial Department's October Jackpot Campaign, the volume of business submitted by three Commonwealth Careermen from Hazard, Kentucky stood out above all others.

### TOP HONORS GO TO—

JOHN W. HAYS  
Leading Underwriter

HOWARD PATRICK  
Leading Staff Manager

JOHN T. PARKER  
Leading Manager

The spectacular performance of every one of the Department's thirty-seven districts yielded the amazing total of \$14,653,424 of new business during the four-week campaign period.

Congratulations! And from the entire Company, thanks a million.

INSURANCE IN FORCE • OCTOBER 1, 1951 — \$520,421,929



**COMMONWEALTH**  
*Life Insurance Company*

HOME OFFICE • LOUISVILLE, KY.

The Doorway to Security



# WEIDENBORNER LIAMA ADDRESS

## Full-Scale Management Training Needed to Bring Agent Turnover Under Control

A salary-plus-incentive contract isn't the complete answer to the agent turnover problem but "if we want good hiring and survival ratios, perhaps we should direct our hiring programs so that they call for selecting men, at least for the present, preferably in the 30-40 age group, and be ready to finance them at levels higher than we have been accustomed to in the past."



F.F. Weidenborner

This conclusion was offered by Frank F. Weidenborner, agency vice-president of Guardian Life, at the annual meeting of L.I.A.M.A. at Chicago.

"When we began our salary program in 1945, we told our managers that production from new men would have to increase from the then average of \$100,000 to \$200,000," he said. "Some gasped and have never gotten over the shock. Others went ahead, believed it was necessary, and did the job. Now we are emphasizing that first year production must average \$250,000."

### Alert to Conservation Problem

Mr. Weidenborner said agent survival rates are linked to the manager, just as business persistency is tied to what the agent does, although "we can no more meet the issue by saying the manager is responsible than we could meet the issue by lapsation of new business by saying the agent was responsible."

The agent was helped by company activity directed at his attitude and goals, his prospecting, work habits and sales procedures, for this automatically solved his persistency problem. Similarly, said Mr. Weidenborner, the company can help its managers. Does it know what amount of business it should have from first year appointments? Second year appointments? Old organization? Does it assign to a manager a quota of new men to be hired based on his known capacity to hire and his hiring ratio, taking into account time to be spent with present first-year men, second-year men and old organization? Does the company limit the men the manager should try to hire because of emphasis on the importance of bringing through those still in a period when turnover occurs?

### Turnover Rate Too Costly

One company, said Mr. Weidenborner, put on great numbers of men in 1946-47 and decided its turnover rate was too costly. Late in 1947 it began to stress retraining and improving first-year survivors. This included many little things, such as writing more letters of recognition to the agent's home, mailing the house organ to his home, inviting wives to agency gatherings, and the like. As a result, in 1950, the number of new men the company required was less than the previous year, so great was the improvement in the survival rate of the first and second-year men.

Using figures of a group of companies—including Guardian—that use salary contracts, Mr. Weidenborner said their hiring results were equal or superior to last year's, and while their survival rate with salary contracts is lower than with commission agents, this is largely because of required early termination of men failing to meet production requirements. However, the average production of survivors under the salary contract more than offsets the slightly larger number of commission contract survivors.

Survival rates for salary contracts and commission contracts, respectively, were: first year, 46.2% and 53.4%; second

year, 27.9% and 42.6%; third year, 20.4% and 27.7%.

For Guardian, the average production of men remaining under commission contract—by contract year—tallies closely with L.I.A.M.A. figures for the industry: first year, \$107,000; second, \$112,000; third, \$104,000; fourth, \$106,000. However, for men on salary the corresponding figures were \$191,000, \$202,000, \$258,000, and \$250,000.

The relation of starting salary and age groups of new men in this group of companies may be a real clue to success or failure in present day hiring, Mr. Weidenborner said.

One company with an average starting salary of \$242 a month has a survival ratio of 46.2% for first-year men, 27.9% for second-year men, and an average age of 29 for men hired. Of the men hired 59.7% were under age 28 and 40.3% over 28.

### Results With Higher Pay

Another company with an average starting salary of \$340 per month has a survival ratio of 45.3% for first year men, 29.9% for second-year men, and an average age of a little more than 30. Of the men hired, 90% were between age 30 and 40.

"The latter company, paying about \$100 a month more in salary, and with a somewhat higher average age at appointment, secures an average first year's production of \$300,000 against the first company's \$200,000," Mr. Weidenborner said.

He noted that very few men over age 40 are hired under the salary arrangement.

Agency men are confronted with four types of manager situations, he said. Some managers have no serious intention.

(CONTINUED ON PAGE 23)

## Bills on Agenda to Permit Issuance of More NSLI Term

Rep. Albert P. Morano (Rep., Conn.) has asked veterans administration to permit National Service Life insurance policyholders who have allowed their term policies to expire unintentionally to get new policies. If the term policy of a present policyholder expires it cannot be renewed.

Morano, in a letter to VA Administrator Carl R. Gray, Jr., cited the case of a constituent who hadn't received notification that his term policy was about to expire, and applied for the authorized new five-year policy at the higher rate. He had mailed in his application, but he neglected to include the last premium payment under the old policy rate under the mistaken impression that the check he sent would keep the policy in force automatically. The check was received at the end of the grace period too late for the VA to notify him of his error in time to correct it. His old policy expired, he became ineligible for a new one and his application for renewal was turned down.

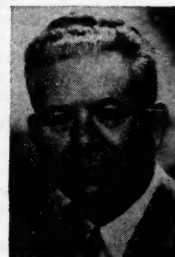
VA officials have acknowledged that a large number of these cases have occurred. But there is nothing they can do about it, they say, since the new law leaves them "no leeway." Legislation to amend the laws is the only out, according to the VA.

Two bills introduced at the last session and now on the agenda of the house veterans affairs committee would permit issuance of new policies to those holding expired NSLI term contracts. They are identical measures, have been endorsed by the American Legion and are being sponsored by Mrs. Edith Nourse Rogers (Rep., Mass.), ranking Republican on the VA committee, and by Thomas E. Martin (Rep., Ia.).

## Cleeton Takes Another Swing at Section 213

### NALU President Outlines Position on Various Issues in LIAMA Talk

President Charles E. Cleeton of the National Assn. of Life Underwriters took another healthy swing at New York's outmoded expense limitation statute in his talk at the L.I.A.M.A. annual meeting at the Edgewater Beach hotel in Chicago.



C. E. Cleeton

Mr. Cleeton, who is general agent of Occidental Life of California at Los Angeles, has been pointing out section 213's deficiencies in recent talks, most notably at the American Life Convention annual meeting at Toronto a month ago.

"This doesn't mean we want the lid blown off," he declared at the L.I.A.M.A. meeting. "This doesn't mean that we think it takes 90% and 19 nines to compensate an agent adequately. What we do think would be sound, equitable and helpful to company, agency head, policyholder and individual underwriter alike is on the record and is well known to all of you, for it is incorporated in the bill which N.A.L.U. introduced before the New York state legislature on Feb. 20, 1951."

### Utopia Not So Remote

Accomplishments to date indicate that life company operations are closer to the ideal state of affairs known as Utopia than many in the business believe, Mr. Cleeton said. But it won't be Utopia, he warned, until the New York law is so modified that a company operating there can, if it desires, give its field representative a modest increase in his basic compensation rate, enjoy a little more elbow room than it now has under the law to help the new man to get under way in his life insurance career, and have an opportunity to make a contribution to agents' pension and welfare benefits without in effect taking such contributions out of his commission scale.

"It won't be Utopia," he declared, "until the archaic and complex patchwork which comprises the present New York law has been repealed in favor of a modern, simple and realistic statutory limit. We hope this particular mileage toward Utopia is covered soon."

### Urges Stiffer Licensing Laws

Another point in N.A.L.U.'s program, said Mr. Cleeton, is a high and reasonably uniform standard of underwriter licensing by the several states.

"We believe that the license issued by the state, authorizing an individual to engage in the business of life underwriting, should be a license in the proper sense of the word and not merely a tax receipt," he said. "We believe that it should be qualified for under reasonable standards, reasonably uniform in the several states; we believe this is good for policyholder and agent, for agency head and company. We believe it is contrary to the good of all of us when either law, or the practice of some companies, however few, serve to allow solicitation by new agents who have not been given even fundamental training before being sent into the field to serve the public. We should remember that

(CONTINUED ON PAGE 23)

## Give and Have

One of the lost arts is the writing of epitaphs, a telling medium for sermons in stone. In Westminster Abbey there was a famous epitaph of Ravenscroft and although the stone has long since gone, this inscription is still remembered:

"What I gave I have.  
What I spent I had.  
What I left I lost by not giving it."

This is a thought Ravenscroft did not lose, because in leaving it he gave it. All through our careers we gain knowledge from our associates. In our business particularly there is a take and give, an investment of thought that pays dividends. The secrets of the trade learned in the school of experience must be kept in a sort of revolving fund, and every sales congress dips into this fund and shares the wealth.

There are many community efforts but no matter how little money or other worldly goods we can contribute there is something of ourselves we can give, and, giving, have.

## THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

## Scan Selection Differences in Commercial, Non-Can

D. B. Alport, vice-president of Business Men's Assurance, was moderator of a panel on differences in underwriting considerations as between non-cancellable and commercial A. & H. business at the forum sponsored by the underwriting committee of H. & A. Underwriters Conference at the Edgewater Beach hotel, Chicago.

E. W. Beresford, assistant secretary of Old Line Life, speaking on commercial business, emphasized the importance of underwriting in the field. He said Old Line Life issues coverage up to \$400 a month and the total monthly indemnity limit is \$500. Physical examination is rarely requested and this is usually to clear vague or incomplete questions pertaining to medical history. Old Line Life writes loss of time health contracts on males to age 60 and female to 55 and on accident, male age 65 and female 60. For hospital contracts it writes male and female to 65.

He stressed the importance of clearing general or vague questions on medical history. He said references to "general check-up" should be scrutinized because usually this has its genesis in some sort of a physical complaint.

### Maintaining Balance

There must always be vigilance to maintain a balance between income and amount of indemnity. Whenever a rider or an endorsement is indicated, the need for this should be very carefully explained to the agent so that the story can be gotten over to the insured in proper perspective.

Mr. Beresford in closing got a laugh by stating: "The home office underwriter never dies, he just declines, declines, declines."

E. J. Cadwell, vice-president of Monarch Life, said the sine qua non in underwriting non-can is the field man. Most of the complaints from assured to insurance departments spring from the activities of untrained agents. When Monarch Life had 2,500 salesmen its experience was nothing to brag about, he declared. Now it has fewer than 600 men, all of whom are company trained. The sales are 10 times what were gotten from the 2,500. Investment in training and control is large but it is paying off.

### Full Inspection Report

On non-can he said Monarch Life wants a full inspection report on every application. Information is developed in 10% of cases that are inspected which causes the company real concern. Such inspection reports have saved his company untold amounts in claims, he declared.

The moral hazard is the principal concern of the underwriter, he declared. Monarch Life issues a maximum \$75 per week for three years and \$200 per month beyond that for 10 more years. It will participate in a total of \$600 per month. On doctors and dentists it will participate in \$1,200 per month.

A. M. Hansen, Mutual Benefit H. & A., indicated he is a strong partisan of commercial as distinguished from the non-can plans. He contended that commercial has non-can beat on the grounds

of flexibility, versatility and utility. For instance, in the commercial field supplemental coverages such as hospital and surgical are much more readily available to the assured than in the non-can lines. When these supplemental coverages become non-can they have to be parceled out gingerly.

### Reinstatement More Flexible

Insofar as reinstatement is concerned, there can be little elasticity in the non-can whereas this is very flexible in the commercial lines. There are many more plans and varieties of cover available in commercial insurance and this permits programming of A. & H. to a far greater extent.

On the score of utility, he said the commercial plans can be offered to all occupations and the insurer can engage in a greater degree of experimentation. Also greater indemnities can be offered and thus economic trends such as inflation can be better compensated for in the commercial field. In the non-can department he said the maximum coverage by and large is about \$200 to \$250 per month.

The commercial insurer is able to get into the sub-standard ranks and use disease elimination riders. Commercial coverage is available in a greater range of age brackets.

T. K. Bond of Provident Life & Accident said an insurer can't stay in the non-can field and be too strict in its underwriting. He said that with the physical examination that is required, the insurer can be more realistic in its underwriting. It has a clearer picture of the risk. The medical examination rules out many doubts.

Provident L. & A.'s participation limits are higher in non-can than in the commercial field, he said. The company feels it must keep up with the times. Companies have demonstrated over the years that they can be more liberal in non-can. Provident L. & A. writes to class F.

### Wants Bold Advertising

Frank Sullivan of Kansas, president of National Assn. of Insurance Commissioners, made an appearance before the A. & H. group. He was in the same hotel for the meeting of National Assn. of Independent Insurers. He said he wished the "respectable" A. & H. companies would conduct bold advertising campaigns stressing the wonderful benefits that are furnished the people. He said that all the advertising he sees is the "penny-a-day" stuff. His implication was distate for this.

## Lead Institute of H. O. Underwriters



In the front row are the newly elected officers of Institute of Home Office Underwriters photographed at the annual meeting of the organization at Chicago. From the left are John T. Acree, Jr., Lincoln Income Life, retiring president; James Q. Taylor, Northwestern National, president; William H. Harrison, Security Mutual of Binghamton, executive vice-president; J. H. B. Peay, Jr., Life of Virginia, vice-president and editor, and James D. Renn, Peninsular Life, secretary-treasurer.

Roy A. McDonald of the conference staff was moderator of a case clinic at which a panel of eight members of Home Office A. & H. Underwriters Round Table of Chicago answered questions submitted.

The manual subcommittee reported excellent progress in the preparation of a new classification manual, which will be ready for presentation at the next annual meeting of the conference.

Registration was around 250, as compared with a previous high of 139 at Omaha last year. Attendance was greatly increased by the fact that the forum was held just prior to the annual meeting of Institute of Home Office Underwriters and the greater interest now being taken in A. & H. by life men. It is expected that a similar arrangement will be made for next year, when the institute plans to hold its meeting at Cincinnati.

### Illinois Managers Form Tri-City Association

Illinois general agents and managers from Joliet, Aurora and Elgin organized a Tri-City association at Aurora. Officers elected were: Joseph Keating, Prudential, Joliet, president; H. J. Brunner, John Hancock, Aurora, vice-president, and Glenn E. True Great Lakes Life, Elgin, secretary-treasurer. John R. Gallagher, Metropolitan, Joliet, was named committee representative to the Illinois Assn. of Life Underwriters.

Earl Schwemm of Great-West Life at Chicago addressed the new association on "Raising the Sights of Our Men."

On the extreme left in the second row is Ray E. Button, Republic National Life, the energetic and perennial publicity director of the institute. The other men in the row are members of the executive committee including William H. Neely, Southern Farm Bureau; Joseph B. Corbett, Colonial Life; E. O. Severin, American Hospital & Life; Edwin Carlson, Continental Assurance; Clyde L. Groover, Family Fund Life; and W. Philip Underwood, Monarch Life.

## Medical Progress Panel to Headline Institute Sessions

One of the highlights of the annual meeting of the Institute of Life Insurance to be held Dec. 13 in New York will be a panel discussion by three outstanding medical research specialists on the progress of heart disease research. The three speakers will be Dr. Fredrick J. Stare, professor of nutrition at Harvard; Dr. Philip Handler, professor of biochemistry and nutrition at Duke University; and Dr. George E. Murphy, Rockefeller institute for medical research.

The guest speaker at the luncheon, also drawn from outside the life insurance business, will be Roy E. Larsen, president of Time, Inc.

The institute's entire program will be devoted to reporting social, medical and economic problems. The morning session will be opened by Fredrick Hubbell, chairman of the institute, who will point up some of the areas of information that have been opened through the institute since its beginning in 1920. The cooperative advertising program of the business will be discussed by Edmund Fitzgerald, president of Northwestern Mutual, who will not only describe the current campaigns, but will outline some of the results over the years.

Holgar J. Johnson, institute president, will close the meeting with a talk on the social contributions of life insurance.

### U. S. Life Decreases Term Credits

United States Life is now offering volume credit for the decreasing term portion of policies of 60% of the initial commuted value instead of 100%. The move is designed to bring volume credit back to reality in terms of permanent insurance and agents' earnings. The move immediately decreases the company's insurance in force by about 1 million.

### B.M.A. Enters Florida

Business Men's Assurance has been licensed in Florida, and is now in operation in that state, District of Columbia, Hawaii and Guam.

## Further 1952 Dividend Action Announced by Companies

In the past week additional companies have announced their 1952 dividend actions. The guaranteed rate of interest is payable on funds left with the company if greater than that shown below. Jan. 1 is the effective date for these announcements.

Company	Current Policies	Old Policies	Funds Left With Company			Company	Current Policies	Old Policies	Funds Left With Company		
			Non-with-drawable	With-drawable	Accum. Divds.				Non-with-drawable	With-drawable	Accum. Divds.
Aetna Life	Same as '51	Same as '51	2.75	2.75	2.75	Horace Mann	Approx. 4% Inc.	Approx. 24% Inc.	2.5	2.5	2.5
Cal-Western	Same as '51	Same as '51	3.25	3.25	3.25	Maccabees	Same as '51	Same as '51	3	3	3
Conn. Mutual	Increased	Increased	3.25	3.25	3.25	New England	"	"	3	3	3
Country Life	Same as '51	Same as '51	3.25	3.25	3.25	North Central	"	"	3	3	3
Fidelity Union	Non-Far only	Same as '51	3.25	3.25	3.25	Occidental, Cal.	"	"	3	3	3
Girard Life	Same as '51	"	3.25	3.25	3.25	Provident Mutual	"	"	3	3	3
Great Southern	"	"	3.25	3.25	3.25	Victory Mutual	"	"	3	3	3
Guarantee Mutual	"	"	2.5 (I)	2.5 (I)	2.5 (I)	Western, Mont.	"	"	3	3	3
Guardian	"	"	2.5 (J)	Rate 3							

(h) Except increase on term policies and supplementary level term agreements. (i) Except deposits at interest 2% (or guar. rate if higher). (j) Except 3% allowed on policies issued from March 1, 1939 to March 1, 1945.



## A. & H. Companies Won't Set Minimum Loss Ratio Figure

If there is any minimum set for A. & H. loss ratios, it will have to be done by the commissioners and not by the companies. That was the position taken by the company representatives when the question was brought up at the meeting at New York last week of the N.A.I.C. subcommittee investigating the relation of A. & H. policy benefits to premiums. The subcommittee, meeting at Chicago in September, indicated it would recommend to the A. & H. committee that the minimum be set at 30%. Naturally this did not suit the A. & H. people and at the New York meeting they were asked to suggest a figure, but declined to do so.

Another closely related issue discussed at the New York session was the requirement set up at the June meeting of N.A.I.C. that first year and renewal premiums on various policy forms be shown separately in the policy exhibit which the companies are required to file in connection with their annual statements. The company delegation was highly critical of the adoption of this requirement without any notice to the business, even though an A. & H. "industry" committee is listed as one of the regular committees of N.A.I.C. Because of its onerous character, they asked that such segregation be made permissive rather than mandatory. As the matter now stands, the blanks committee is required to set up the exhibit in this form and it was desired, if any change is to be made, that it be done before the blanks are sent out. There was no indication at the meeting as to what action will be taken along that line.

C. O. Pauley and R. H. Rydman represented H. & A. Underwriters Conference and J. F. Follmann, Jr., Bureau of A. & H. Underwriters at the hearing. In addition there were about half a dozen representatives of individual companies in attendance.

## Professor Tells How to Bring Agent Out of Slump

Austin, Tex., life managers heard Prof. Henry T. Owen of the college of business administration of University of Texas speak on "Your Slump Is Showing." He urged that the man who is discouraged be brought into the office of the manager and made to know that the manager has faith in him and his ability to produce. He suggested that the manager ease the agent out of his slump by having him do the thing he likes best, whether it is visiting, prospecting, or making calls.

Dr. Owen said slumps usually come from not making enough calls, but he would not send the discouraged agent to see a hot prospect, because he is in a mental state to sell, but if allowed to follow his own bent without feeling that he is under pressure, he will find himself a prospect.

Boyd Weide, vice-president of the club, presented a certificate of appreciation to Neville Johnston, Western Reserve, immediate past president.

## Madison Actuaries Organize

An actuarial club has been organized in Madison, Wis. Starting with 10 charter members, the group solicits membership, requiring only that the prospect be engaged in some form of actuarial work and that his background be such that he can profit from technical discussions. University of Wisconsin students who have passed the course in life contingencies or are currently enrolled in that course may become associate members.

The charter members elected Robert E. Larson, assistant professor of actuarial science at University of Wisconsin, president, Robert C. Bailey, secretary and actuary of Wisconsin Life, as elected secretary.

At the next meeting Dec. 6, J. Ross Adams, actuary of National Guardian Life, will lead a discussion on the new annual statement form.

## HOLU Announces 1952 Meet

The annual meeting of the Home Office Life Underwriters Assn. will be held April 21-23, 1952, at Hotel Statler New York City.

Provident Mutual Life has appointed Robert J. Sims manager of the supervisory unit at the home office in Philadelphia. Mr. Sims joined the company in 1947.

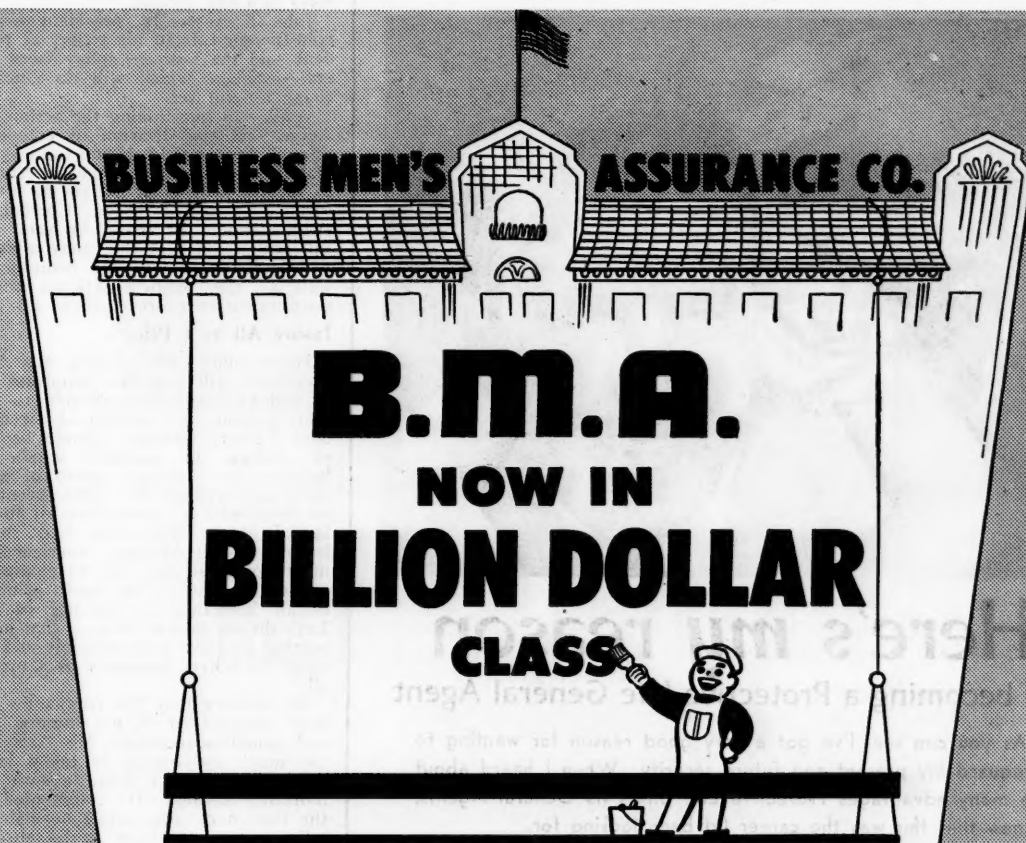
## Mutual Benefit Life Receives Public Relations Award

The silver anvil trophy, 1951 achievement award of American Public Relations Assn., has been received by Mutual Benefit Life because of its book "Begin Now—To Enjoy Tomorrow." The award recognizes outstanding achievement in public relations, under the classification of "banking, finance and insurance," in the annual awards competition, as determined by the committee of judges.

The presentation was made to Mutual Benefit Life's president, John S.

Thompson, at a special luncheon at Philadelphia, as a feature of the APRA convention. H. G. Kenagy, vice-president in charge of public services, and E. L. Reiley, Philadelphia general agent, were other company representatives attending the meeting.

The book, written by Ray Giles on advance planning for retirement years, has been widely distributed as a public service to individuals, business organizations and community groups. The basic objective is to stimulate people to prepare themselves mentally and physically, as well as financially, for happy living after retirement and thus contribute to better living today.



## A Story of Progress

- ★ Organized as Accident Company June, 1909
- ★ Premium Income 1909 ..... \$ 9,197.70
- ★ Health Insurance added 1911
- ★ Premium Income 1911 ..... 129,979.54
- ★ Accident and Health premium income 1920 ... 1,786,860.87
- ★ Accident and Health premium income 1950 ..... 12,453,427.71
- ★ Life Insurance added 1920
- ★ Life Insurance in force end of 1920 ..... 2,007,500.00
- ★ Life Insurance premium income 1950 .... 12,192,479.78
- ★ Total Premium Income 1950 ..... 24,645,907.49
- ★ Life Insurance in force end of 1950 ... 471,443,758.00
- ★ Life Insurance in force June, 1951 ... 500,000,000.00

Now with premium income in all lines more than double that of Life Insurance alone, B.M.A. has stepped into the Billion Dollar Class in terms of Life Insurance.

Throughout 34 states, the District of Columbia and Hawaii, B.M.A. provides personal income protection through Life, Accident, Health, Hospitalization, Surgical and Medical Care, Annuities and Reinsurance for more than 600,000 policyowners and beneficiaries.



## BUSINESS MEN'S ASSURANCE COMPANY OF AMERICA

HOME OFFICE KANSAS CITY, MISSOURI • BRANCH AND DISTRICT OFFICES IN MORE THAN 60 PRINCIPAL CITIES



## ATOMIC WARFARE CLAUSES DISCUSSED

## Home Office Underwriters Debate How Far to Liberalize Selection

How to meet the competitive pressure for liberalization of underwriting and still avoid a bargain counter approach was one of the enigmas wrestled with by Institute of Home Office Underwriters at its annual meeting in Chicago. War risks and possible civilian atomic hazards also occupied attention and it was disclosed that one company has already submitted an atomic war-

fare civilian rider for approval to the state insurance departments. There were 418 present.

Newly elected officers of the institute are James Q. Taylor, Northwestern National, president; William H. Harrison, Security Mutual of Binghamton, N. Y., executive vice-president; J. H. B. Peay, Life of Virginia, vice-president and editor; James D. Renn, Peninsular

Life, secretary. Newly elected to the executive committee were C. Edwin Carlson, Continental Assurance; Joseph B. Corbett, Colonial Life. Continuing on the executive committee are William H. Neely, Southern Farm Bureau Life; Clyde L. Groover, Family Fund Life; E. O. Severin, American Hospital & Life; W. Philip Underwood, Monarch Life, and John T. Acree, Lincoln Income Life, immediate past president.

Opening the convention was Emmett Russell, Jr., Life & Casualty, with his speech, "Rooty Toot, Toot!" Mr. Russell, a southerner territorially and politically and the Institute's first president, presented each of the attending past presidents with a Confederate flag in the form of a silk necktie.

John T. Acree, Jr., president of Lincoln Income Life, in his report as president said the business today faces several decisions which will do much to shape the future.

While not questioning the action, Mr. Acree said the decision of companies to exclude war risks during the last war placed an obligation on the government to furnish billions of dollars of life insurance to armed forces. Current decisions should be made, he said, with full realization that they may alter the government's role in life insurance as well as the public's attitude toward government-sponsored insurance.

## Insure All at a Price

Home office underwriting, Mr. Acree predicted, will play an important role in making insurance available to even more persons and possibly at a reduced cost. "Every company should be alert to changes in statistics which will broaden the standard group of applicants and reduce the extra premiums on those who do not qualify for the enlarged group. We must look to the lessons taught by past experience and must not close our eyes to changes in statistics. One of the basic principles of all insurance is 'equality of risk.' Let's do our best to be sure that underwriting displays that principle and let's strive to deliver insurance at a price to all."

Mentioning that life companies have been plagued by falling interest rates and mounting overhead, Mr. Acree said too much consolation is taken in the fact that they are being absorbed by mortality savings. He commented that the time may come when normal mortality costs may have to be absorbed by excess interest earnings or savings from loadings. Only when each element is made to stand on its own can underwriting principles be somewhat relaxed to provide broader and cheaper coverage.

Mr. Acree reviewed the growth of insurance associations and said the cooperation engendered by these groups has done much to raise the business to its present unprecedented position.

## Becomes Institutional Investment

In a challenging and well-received illustrated talk John O. Todd, a Million Dollar Round Table member since 1935, reminded the group that life insurance as an institutional investment is definitely here. Statistically he compared fixed versus equity investments and analyzed personal earning power as an equity. He said that the curve of minimum capital necessity must correspond with fixed dollar investment but that equity will go far above fixed dollar assets. The underwriting aspect of this increasingly apparent fact is shown when an investor or an insured has completed a fixed income investment and arrives at the point when future investment can better be made in life insurance. It is therefore impossible, he said, to apply a rule of how much income should go to premium.

Mr. Todd pointed out that for the most part life insurance funds are non-taxable and that deferred income is today's byword. He also graphically analyzed the current price index as compared with the scale following the Civil war and following the first world war. The patterns were startlingly similar. And if the pattern follows, the dollar

will be worth much more in 30 years or at the time of paid up life insurance bought today.

Participating in a panel discussion entitled "Can We Liberalize?" were C. Edwin Carlson, Continental Assurance, moderator; John C. Archibald, Bankers Life of Iowa; W. Sheffield Owen, Life of Georgia; Carl W. Huber, Bankers National Life; Dr. J. E. Hunsinger, Republic National Life. In a fast and hot discussion which drew much comment from the floor, the panel reviewed the competitive trend toward liberalization. Noted particularly was the ever-present quest for more and accurate statistics in occupational ratings, in medical studies and in war casualty findings. Liberalization was felt to be a must, but "bargain counter underwriting," a possible offspring of too rapid liberalization, was cited as an ever-present danger. Occupational ratings were regarded by many as backward, and too often the statistics which do exist are meaningless. The same was felt with medical statistics in spite of the improving mortality rate. Improvement, however, has been shown by the change-over to the CSO table from the antiquated American Experience table. Possibly a selective liberalization can be assumed even in light of higher costs, higher taxation and a low interest rate.

## War Risks and War Riders

The topic which showed the widest difference of opinion was that of war risks and attached war riders. Moderator Carlson began this part of the discussion with the documented statement that the Korean war thus far has cost \$10 million in claims. Opinions differed so widely on war riders that it was impossible to conclude on a current standardized practice. One delegate made the claim, "We are foolish not to attach a war rider to policies." Others issue specified limits to airmen, to submariners, to arsenal workers.

Also mentioned was the possible risk to civilians in case of atomic attack. One large western company has submitted an atomic warfare civilian rider to all of the departments in the 38 states in which it operates. All but four of the states have indicated that they would accept the rider even though the company does not plan to use the rider as yet. The discussion raised such questions as: "How can industry calculate the effects of an atomic attack?" and "Do we wait until the first atomic bomb is dropped before we attach atomic war clauses?"

Underwriting as seen through the eyes of the producer was described by Walter H. Saitta, agency vice-president of Peninsular Life.

The motivations and points of view of the agent differ from those of the selection man, Mr. Saitta said. His efforts are subject to exact measurements of performance. He must write applications to earn a living and is under constant pressure from his manager to produce a large volume. In addition, he is bribed by rewards to meet various quotas.

## Agent Has Sympathetic Approach

The agent Mr. Saitta observed, approaches a prospect with a sympathetic attitude that has been carefully schooled by his manager and his company, and is inclined to let the needs for life insurance overshadow the eligibility of the applicant. The home office underwriter, on the other hand, appraises the applicant impersonally, unaffected by urging on the part of the agency department, the applicant and the very fact that a sizeable commission may be at stake.

Mr. Saitta said the agent realizes there must be regulations governing the amount and quality of a risk, but there are several aspects of selection which he doesn't understand, such as why underwriting departments reject a case that is promptly issued by a competing company, and the emphasis on "selectivity." On one hand he is told selectivity has everything to do with approval of the applicant, and on the other he is told that after a policy is issued it

(CONTINUED ON PAGE 20)



## Here's my reason for becoming a Protective Life General Agent

As you can see, I've got a very good reason for wanting to safeguard my present and future security. When I heard about the many advantages Protective Life offers its General Agents, I knew that this was the career I'd been looking for.

Now that I'm a Protective Life Agent, I'm providing for my own security while I provide for the security of my clients.

### PROTECTIVE LIFE is a real career

**Our Compensation Plan**—Includes liberal first-year and renewal commissions, vested renewals, lifetime service commissions, hospitalization and surgical benefits, and a SPECIAL CASH BONUS FOR PERSISTENCY.

**Our Training Plan**—Includes continuous office and field training in successful sales methods, consisting of a 5-point learn-as-you-earn program.

**A Complete Line of Policy Contracts**

**Personal Relationship**—Agency operations are exceptionally flexible so that we can do things the way you want them done.

Interested?—Write today for details.

### GENERAL AGENCY OPENINGS IN KENTUCKY, WEST VIRGINIA, GEORGIA

#### Want the facts?

For information write to

C. B. Barksdale

Superintendent of Agencies



**PROTECTIVE LIFE**  
INSURANCE COMPANY  
William J. Rushon, President  
BIRMINGHAM ALABAMA

Insurance in force over \$425 million

Serving the South since 1907



## Discuss Weaker Points in A. & H. Cover at N. Y.

Everyone likes the idea of catastrophe medical expense coverages but they expose insurers to many dangers, H. S. Cramer of the Bleichroeder & Bing Agency told the A. & H. Club of New York at its November meeting.

Mr. Cramer had a wide background in A. & H. insurance abroad before the war. He drew upon the problems encountered when medical expense insurance was first attempted in Europe to demonstrate his points.

Although some kind of expense deterrent is needed he doesn't believe that the coinsurance requirement now being used will be practical. He said that it invites collusion among patients and doctors. If a surgeon charged a patient \$1,000 of which the patient would get back \$750, the patient would be an exception if he did not tell the surgeon of his predicament. Mr. Cramer said the doctor would then say, "O. K., first you pay me the \$750 and we will see later what will become of the rest." He predicted that once surgeons learn the rules of the game they will automatically increase bills in the future by the necessary percentage, so that they will never receive less than they intended to charge. He said the danger of collusion didn't exist to the same extent where hospital or other charges are involved.

Once a physician knows that he can charge whatever he wants because the patient is not interested in the amount of his bill—everything will be paid by the insurer anyway—the temptation to cheat becomes really very strong, he predicted.

### Criticizes Schedules

Mr. Cramer criticized obsolete schedules of surgical benefits, pointing out, for instance, those which provide a maximum of \$300 for a brain operation when those operations almost always cost somewhere between \$1,000 and \$1,500.

He agreed that some method of allocating benefits is necessary but said that it will be difficult to arrive at one. Perhaps, he commented, a schedule could be worked out based on the payments made under workmen's compensation law multiplied by two, three, four, six or ten times, the payment basis varying with the cost of medical treatment in the different sections of the country.

He believes it will be difficult to promote a plan on an allocated basis in competition with blanket plans.

Some method ought to be devised to attract younger age groups to catastrophe insurance, he contended. Policies now being sold are slanted to a market earning more than \$5,000 a year. People in those brackets are generally older groups where the sickness frequency is much higher, thereby starting plans on the wrong foot.

Diverting from catastrophe policies to regular A. & H., he opined that some better method should be developed for covering the expenses of drugs and medicines. In the case of newly discovered products these are often very high. On the other hand, he said, companies must be alert to prevent abuse by manufacturers.

### Other Criticisms

He suggested that more non-cancelable policies be marketed, at lower premiums, perhaps by making all regular A. & H. insurance non-cancelable after five years unless the company has cancelled before that. He urged the use of more practical medical know-how in writing riders eliminating certain afflictions from policy protection.

He pointed to the paper work required of physicians as a claim practice that needs improvement. Present procedures often get the company into a squeeze between the insured and his

doctor, he said. The patient wants the doctor to back up his claim but the doctor must adhere to his professional conscience. Someone will suffer and probably it will be the insurance company.

In concluding, Mr. Cramer observed that he had been in a position to "dig out quite a few hot potatoes without having an obligation to peel them." He suggested that they be left unpeeled and given a chance to cool off by themselves.

G. Frias Beltran, executive vice-president of Unity Mutual Life & Accident,

Los Angeles, is celebrating his 30th anniversary with the company. He started as a debit agent, and served as assistant district manager, district manager and vice-president, becoming executive vice-president in 1947.

### Clinic for Mutual Benefit

A property planning clinic will be held at the home office of Mutual Benefit Life Nov. 19-21. George B. Gordon, director of advanced underwriting; James C. Wiggins, attorney, and William F. Ward, associate mathematician, will discuss estate problems, business

insurance problems and employee benefit plans.

### Franklin Rally at Green Bay

Field men of Franklin Life in northern Wisconsin attended a sales meeting at Green Bay, conducted by Wisconsin State Managers, Inc., of Milwaukee. R. J. Kalbskopf and Robert Hesse, managers, discussed sales problems, methods and prospects.

Midland Mutual Life will hold its 1953 convention June 24-26 at Skytop Inn in Pennsylvania.



LEROY RADLOFF

LeRoy Radloff has literally been the Franklin Life in the prosperous community of Wausau, Wisconsin (population 27,268) since he first joined our company in the spring of 1945.

There were four Franklin policyowners in Wausau at that time. Today there are nearly 2,500.

Here is a record of his earnings since becoming a Frankinite in March 1945:

1945 . . . . .	\$ 6,629
1946 . . . . .	14,778
1947 . . . . .	15,038
1948 . . . . .	14,732
1949 . . . . .	16,947
1950 . . . . .	17,740
1951 (1st 9 mos.) . . . . .	16,886

GENERAL AGENCY  
OPPORTUNITIES IN  
WEST VIRGINIA

## "My income has tripled with the Franklin..."

September 27, 1951

Mr. F. J. O'Brien, Vice President  
Franklin Life Insurance Company  
Springfield, Illinois

Dear O'B:

Just the other day I completed fifteen years in the life insurance business. The last six and one-half years of this period, as you know, were spent with our great company. Prior to that time, I represented one of the eastern companies.

It would take many words to describe my feelings adequately. However, I can speak only in glowing terms about Chas. E. Becker and his agency-minded officers of the company who take such a warm personal feeling and interest towards their field associates. Furthermore, my earnings at the end of the second year with Franklin not only doubled those of the best year with my former company, but my income immediately jumped into the five figure column. Had it not been for Franklin I know that my family would not have the substantial things in life and the financial security they so richly enjoy today.

Here is something that sounds quite fantastic, nevertheless, it is true. Even though I have been with Franklin two years less than with my former connection, my total income has more than tripled during my Franklin career.

No truer words were ever spoken than the remark made to me by one of our officers recently, when he said, "Mr. Becker and the officers of the company are continuously working for the man in the field, instead of the man in the field working for the company."

Cordially,

L. H. Radloff

An agent cannot long travel at a faster gait than the company he represents.



The Friendly  
**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over A Billion Dollars Of Insurance In Force



Stanley Newton, Berkshire Life; Eric Johnson, Colonial Life; Eugene M. Thoré, Life Insurance Assn.; Holgar J. Johnson, Institute of Life Insurance; John D. Moynahan, Metropolitan Life, Chicago, and Hixon Hunt, Berkshire Life, snapped in the Marine dining room of the Edgewater Beach hotel during the L.I.A.M.A. meeting.



**No Magic...** *The Secret of selling Business Life Insurance is Simple!*

- We can tell you what the secret is and how to make it work for you.
- We have insurance contracts to fit the plans that will result; standard and sub-standard; high amount limits.

**CONNECTICUT  
GENERAL**  
LIFE INSURANCE COMPANY  
HARTFORD, CONNECTICUT



**BETTER SERVICE  
FOR INSURANCE MEN**  
LIFE • ACCIDENT • HEALTH •  
GROUP INSURANCE AND  
PENSION PLANS • PENSION  
TRUSTS • ANNUITIES •  
LIFE REINSURANCE

## RAINS WALLACE REPORTS

# Only Best Managers Should Be Allowed "B" Recruits

With the current tight manpower situation a company should not rely on a

single over-all recruiting plan but should develop one geared to each classification of its managers, for what will work well with good managers will prove disappointing with mediocre managers, said S. Rains Wallace, Jr., L.I.A.M.A. director of research, at the annual meeting of L.I.A.M.A. at Chicago this week.

He said also that if a company is limited in the amount of recruiting help and encouragement it can give it should plan to concentrate that help where it can do some good—in the agencies that have demonstrated that they know what to do with a recruit after they get him.

"It is bound to be easier to recruit men for managers who can talk about their past efforts with pride than for those whose agencies are haunted by the ghosts of failures," he observed.

### Gist of Report

Following is the gist of Dr. Wallace's report:

Recruiting dropped 20% in the second quarter of 1951 as against the same period in 1950. The trend indicates a leveling off at the present rate, but with little chance to improve it for some time. The Canadian drop is less severe but seems likely to level off at about 90% of the former rate.

As a result, the financing ante has been boosted, probably more so than most realize. In the second quarter of 1951 the large U.S. companies financed 70% of the inexperienced new agents—about the same as for 1950. But the average monthly pay or advance jumped from \$235 to \$270. Too abrupt to be due to living cost increases, it obviously reflects higher bidding in a tight labor market. In Canada there was a similar but less pronounced result.

### Reversed Age Trend

The Korean war caused a reversal of the long-term trend toward recruiting younger men. Average age of recruits in the U.S. in 1950 was 29. It was 31 in the second quarter of 1951. Canada has pulled a smaller percentage of young men into service and the average age of new agents there is unchanged.

Net result: the companies must expect to pay more financing money to fewer and somewhat older recruits.

A major part of the solution is to do better at hanging on to present agents. Of all men recruited in the second quarter of 1951, 25% were from other companies. For every promising man a manager manages to salvage, his recruiting problem drops by at least three men.

### PRESSURE FUTILE

Putting general pressure on field managers to increase recruiting activity results in more recruits but probably doesn't produce the desired result, which is more successful agents. This system also embodies the fallacy that each company has a single recruiting problem, whereas actually it has several different problems, reflecting the different kinds of management in the agencies.

The "good" manager can make good agents out of "B" as well as "A" scorers on the Aptitude Index, while a mediocre manager had better not be trusted with any but "A" scorers. Some managers can even wreck an "A" recruit.



S. R. Wallace, Jr.

On the gloomy side: Each year 50% of new men are lost in their first contract year. Half of the one-year survivors fail to pay for as much as \$120,000. A man who is going to succeed usually shows it in his second quarter and he is more likely to go downward than upward from then on. Of a group of 1,875 men contracted in 1947 only 6% survived three years and showed a steady increase in production from year to year.

On the cheerful side: The above results are averages and while some agencies were worse than average some had results that needed no apologies.

L.I.A.M.A. studies showed that the best managers have a more realistic attitude than mediocre managers. Only the mediocre managers felt they could make successes out of "D" or "E" Aptitude Index scorers. Mediocre managers had a higher survival rate among their agents but only because the good managers spot their potential failures early and help them out of the business. The mediocre managers hang on and hope.

### Get More from "A" Men

"Good" managers turn 46% of their "A" scorers into early successes, a success being a man who pays for at least \$120,000 and lasts at least a year. For mediocre managers the percentage was only 25. "A" men who survived under the "good" managers averaged \$15,500 a month production while the mediocre managers' "A" survivors averaged only \$10,600. But even "good" managers can do little with the "C" men they fail to terminate.

"If we kept our selection standards up and hired 500 'A' men and 250 'B' men through our good managers, we could expect to have 595 survivors after six months. These survivors would produce almost \$51 million in that time and 300 of them would each produce at least \$80,000. If we hired 500 'A' men and 250 'B' men through our mediocre managers, we could expect 597 survivors. But instead of \$51 million of production, we could expect only \$34 million. And instead of ending the six months with 300 promising men, we would have only 153—a difference of almost two to one."

### Must Lead the Doubtfuls

Dr. Wallace said that in doubtful agencies, plans must be based on leading the managers to a more conscientious use of the methods that characterize the man-building agencies. Managers whose ability is doubtful must be made to approach their problems more realistically. They must start with better recruits than the good managers.

"We must convince the manager of doubtful ability that the time he spends in finding and contracting an 'A' man is better spent than the time invested in trying to bring the 'B' or 'C' man through," said Dr. Wallace.

Such a manager, he said, must be convinced that the key factor is the proper investment of his time in the right man, that if he wastes his precious training and supervisory time on men whose early performance shows them to be almost sure failures he can only fail.

The first juvenile policy at ages five to nine written by Northwestern Mutual went to F. James Sensenbrenner, Jr., eight year old great-grandson of Frank J. Sensenbrenner, senior member of the board of trustees of Northwestern Mutual and a member of the executive committee. Mr. Sensenbrenner is a paper manufacturer at Neenah, Wis., and has been on the Northwestern Mutual board since 1919. Four generations of the prominent family are now insured with Northwestern Mutual.

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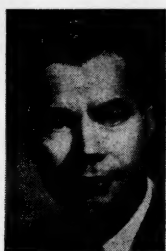


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## More Companies Study Field Costs, Says LIAMA Actuary

One of the most important results thus far of L.I.A.M.A.'s cost study is that more companies are studying their field costs than ever before, said Thomas Irvine, director of the actuarial division, at a meeting of Canadian companies held in conjunction with the L.I.A.M.A. annual meeting in Chicago this week.



Thomas Irvine

It's a slow process, he said, but the effect is beginning to be felt. From a start of 10 companies in 1947, the actuarial division expects 17 companies to contribute 1950 data to the cost studies and 20 or more to contribute 1951 data.

Mr. Irvine said L.I.A.M.A.'s cost analysis form has been highly successful in helping companies analyze the costs in their agencies. It has also been a means of standardizing data to permit comparisons between companies and between agencies. The 1949 first-year and renewal field costs report will be sent to companies soon and will be based on data from companies using the form.

### Companies Vary Widely

Mentioning the wide variation in unit costs among companies and among agencies of the same company, Mr. Irvine said a scale ranging from \$2 per \$1,000 to \$20 per \$1,000 was needed. Most companies have a spread which covers more than half the scale. Individual companies tend to concentrate not only at different levels but in different degree. Every agency executive, said Mr. Irvine, knows that some of his agencies are high cost and some are low cost, but the magnitude of the spread may not have been fully visualized.

Efficient agency operation is not just a matter of low operating costs, said Mr. Irvine. In judging an agency, the agency officer rightly takes into account all the circumstances but "we suspect, however, that the varying circumstances are all too often used as an excuse for high cost without attempting to look for fundamental causes."

Many factors are measurable, such as location of the agency, its size, ratio of new business to in-force, and the like. L.I.A.M.A. is making statistical analyses to see how much these amount to, but data compiled thus far indicate that they cause only a small part of the variance.

Mr. Irvine said that variations from company to company are so significant as to appear to reflect major differences

in policy or efficiency. Study of agency costs, he said, can show, through comparison with a company's other agencies, just where unjustified expenses are being incurred or where a higher price should be paid for improved service. He expressed the hope that the reports will encourage the preparation of this type of data by more and more companies.

### Name Bar Subcommittees

James B. Donovan, chairman insurance law committee Bar of the City of New York, has appointed the following

subcommittee chairmen: Life insurance, Daniel J. Reidy, Guardian Life; state regulation, Samuel R. Feller; group, pensions and annuities, George E. Johnson, Teachers Insurance & Annuity, and education, A. Alan Lane.

### Mutual, Canada, Ups Two

Mutual Life of Canada has appointed Ralph Hodgson agency secretary and J. S. Darling assistant agency secretary. Mr. Hodgson succeeds George M. Fisher, who has retired.

After joining the company at Toronto in 1930, Mr. Hodgson served at Mont-

real, London and North Bay, Ont., before assignment to the agency department of the home office at Waterloo, Ont. He was appointed assistant agency secretary in 1948. Mr. Darling joined the company at London in 1937, and entered the agency department in 1948 after assignments at Sarnia and Windsor, Ont. He is a veteran.

There were 25 members of John Hancock agencies who completed a two-week intermediate course in underwriting fundamentals at the home office in Boston.

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Peter M. Fraser, left, president of Connecticut Mutual Life, accepts for his company the bronze "Oscar of Industry" award for the best annual report material in the life insurance category. The award was presented by Weston Smith, executive vice-president of Financial World magazine, which sponsors the international annual report competition.

## Dowell Shows Why Production, Manpower Fail as Yardsticks for Agency Results

The time-honored production-manpower base, taken by itself, is woefully insufficient for planning and for judging agency results, said Vice-president Dudley Dowell of New York Life at a luncheon meeting of the Chicago Life Managers Assn. held at the Edgewater Beach hotel during the annual meeting of L.I.A.M.A.



Dudley Dowell

"We must broaden the base by which we select agency objectives and judge agency results," he declared. Mr. Dowell also developed the points that there are no simple, one-track answers to qualitative results and that the free chance to succeed or fail is not enough in dealing with agents or with men in field management.

To show the inadequacy of the production-manpower yardstick, Mr. Dowell

compared two agencies, each writing about \$6 million a year in comparable territories. However, in one, the average policy is \$1,000 or \$1,500 lower than the company average while in the other it is about \$1,000 higher than the average. Obviously the two managers are not obtaining comparable results, if unit costs are considered. Over the average length of life on one year's new business, this difference could run as high as \$30,000—with a difference of between \$10,000 and \$12,000 in first-year costs alone.

### Take Persistency Into Account

If persistency is taken into account, a sound realistic average cost would be \$10 a thousand for new business lapsing before the payment of the first full annual premium. If one of the agencies has a first-year lapse rate 35% better than the company average and the other has a rate 35% worse than the average, the difference, on the \$10 per \$1,000 basis, could be as much as \$9,000 to \$12,000 a year.

Putting the two factors together—size and persistency—the difference be-



W. W. Hartshorn, Metropolitan Life; A. Rogers Maynard, Metropolitan Life; Donald F. Barnes, Institute of Life Insurance; Lewis F. Youngblood, L.I.A.M.A., photographed at the L.I.A.M.A. meeting.

tween a quality operation and one where these factors are not given proper attention could easily run into many thousands of dollars, the speaker said.

As for there being no simple answer to turnover, Mr. Dowell said good qualitative results are the result of total good management. Good quality in one phase of an agency's operations is likely to be accompanied by good results throughout the operation. This should serve as an automatic caution, he said, against "the rather common practice of trying to fix one thing at a time," for this system means that the good effect of attention to one problem is dissipated by the effect of neglecting other problems. These problems, he said, are all interrelated and must be met by a comprehensive program.

### Free Chance Not Enough

Discussing the thought that the free chance to succeed or fail is not enough, Mr. Dowell said New York Life found, when it looked over its situation, that it had been giving relatively thorough attention to the problems of new agents, less to those of older agents and still less to the problems of its men in management.

Study of costs of less favorable results brought the conviction that methods and procedures needed improving as the primary step in improving results.

"We are moving heaven and earth to get the facts," he said. "When we looked at turnover, for example, we found not two or three, but seven aspects of this problem in our own company. These were the numerical strength of our management staff in the field, our policy toward what we expected of our managers in recruiting, our selection procedure, our training program, both for managers and agents, our sales philosophy and our kit of sales tools, our financing plan, and the average and median earnings of our field men. Clearly, it would be inconclusive to try to strengthen only two or three of these, when all seven have a direct bearing on turnover.

### Studies Last 10 Paid Cases

"One of the most interesting studies which we ran—and this may be used on either a company or an agency basis—was to secure the data on the last 10 paid cases of a cross-section of our established agents. You can do this easily by using the L.I.A.M.A. sales method index or the simplified form used by several companies. This study confirmed much that we had suspected about the sales problems of our men, but it also brought to light many new facts of value in planning for the future."

The central Kansas agency of Victory Life held its fall meeting at Wichita with 22 salesmen in attendance. M. B. Steen, director of agencies, and E. E. Shurtleff, executive vice-president, attended. The agency is managed by W. D. Hawley.

## Sales Held Vital to "Eternal Triangle" of Life Insurance

The sales force is the vital factor in maintaining "the eternal triangle"

which permits a life insurance company to stay in business and perform its functions," Olen E. Anderson declared in his presidential address at the L.I.A.M.A. annual meeting in Chicago. Mr. Anderson, who is vice-president of John Hancock, said the sides of the triangle are loadings, excess interest, and savings on mortality.

"The only justification for the existence of our business is sales and service. We sell security and then, by a continuing service, see that it is delivered. When life insurance companies, their officers, sales representatives and employees cease to accept that premise, there will be no further justification for maintaining the business as private enterprise."

### Why Sales Are Important

Sales are vital to loadings because an increase in volume tends to lower unit-costs of operation, Mr. Anderson pointed out. Sales help interest because if funds are to be invested at higher rates there must be more money to invest. Sales help mortality savings by pumping in new business, thereby producing a more favorable mortality ratio for the company.

Mr. Anderson's address, which was a departure from the report type of speech usually heard in the presidential address, also paid tribute to the L.I.A.M.A. headquarters staff, especially to the late John Marshall Holcombe, Jr., and his successor as managing director, Charles J. Zimmerman.

### Hooper-Holmes Ups Collins

Warren E. Collins has become a vice-president of Hooper-Holmes Bureau. Now supervisor, he will continue in charge of the eastern division comprising West Virginia, Pennsylvania, New Jersey and the metropolitan area of New York City.

He joined the bureau in 1924 as an inspector at New York and served as chief inspector, assistant manager and manager of New York. He became supervisor in charge of the eastern division in 1946.

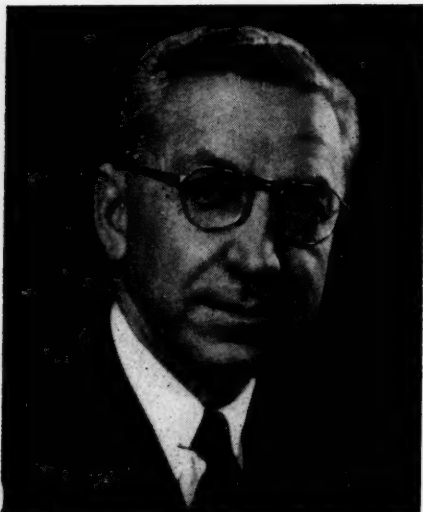
Courtland Elliot has been elected to the board of North American Life of Canada.



O. E. Anderson

## TWO ANNIVERSARIES

Our 41st



GEO. WADE  
Harrisburg,  
Pennsylvania

## Geo. Wade's 31st

The remarkable success of Manager Geo. Wade in the life insurance business with and for The Ohio National has been an inspiration to the Company's field force for three decades. Under his dynamic leadership, The Geo. Wade General Agency, established by him in 1920 at Harrisburg, Pennsylvania, has been the leading ONLI agency eight times in the past twelve years. Besides his accomplishments as a life insurance man, Mr. Wade has figured prominently in legislative and civic activities during three terms as a State Senator and as a key man in Community Chest affairs of Harrisburg.

**The OHIO NATIONAL**  
LIFE INSURANCE COMPANY, Cincinnati, Ohio



## LIAMA ANNUAL MEETING

## Field Supervision Plans Told at Panel Session

How three companies supervise their field organizations was described in the home office supervision panel Wednesday at the L.I.A.M.A. annual meeting at Chicago.

Gordon S. Woolsey, assistant superintendent of agencies of London Life, described the supervisory program of the industrial branch of his company; R. R. Davenport, vice-president and agency director Southwestern Life, told how his company, a branch office company with a concentrated operation, is set up to keep tabs on its field offices; and Richard E. Pille, vice-president in charge of agencies Mutual Benefit Life, outlined the supervision methods used in his general agency company.

## Outlines London's Pattern

Mr. Woolsey said London's Life's pattern provides the whole agency force with the same objectives and the same methods for accomplishing them. Each part of the organization is interchangeable and can function efficiently in any setting.

Of 11 men in the London Life home office agency department, five devote full time to industrial. No one person is in charge of a particular territory, but all are concerned with the entire field. The agency department functions by committee. A general agency department committee deals with all matters of interest and concern to the field force. Its conclusions and recommendations are carried forward to a combined agency committee, which has the authority necessary to carry out the decisions settled upon.

Three more committees deal with selection of agents, agent progress, and agent termination. The company also supervises by written yearly reports from managers; weekly progress reports, frequent visits from the home office, and meetings of managers and assistant managers.

## Southwestern's Program

Mr. Davenport reported that his field organization, concentrated in Texas, was divided into 11 managerial districts, with six sales supervisors working in two or more territories as needed. The company helps its managers or agency administration, group term, salary savings and bank service sales, training of agents, preparation and distribution of sales aids, group permanent and pension trust sales and estate analysis.

The company requires managers to send in the Aptitude Indexes given and it calls for termination reports on agents cancelled or those who have survived six months without achieving what was expected of them. The last procedure is helpful as a means of self-analysis for the manager. The company never offers any comment on the reasons given for failure of the agent. It requires a year-end review of the past year's accomplishments and an outline of the objectives for the new year.

## Shouldn't Expect Too Much

"We constantly seek to get managers to assume greater responsibilities in the field operations of the company and are very sensitive to their recommendations with reference to any problems arising in their territory," he said. "It is my own belief that one of the greatest mistakes made by agency executives is in expecting too much of our field men. A recognition of the strengths and weaknesses of the manager as a human being has led to our development of an organization designed to give him help in those areas of his work where he feels the need for such help."

Mr. Pille said Mutual Benefit, as a typical general agency company, seeks satisfactory results, but "we do not question methods and techniques beyond in-

sisting on good ethics and honesty. In theory and in practice, we encourage individualism."

Mr. Pille listed among the procedures used by Mutual Benefit to keep in touch with what is happening in its general agencies informal letters of report, yearly plan books, statistical surveys, agency visits, department meetings.

Mutual Benefit, he said, has tried to organize its agency department to have real specialists in each of the major areas of agency management, men who can actually go out into the agencies, give practical advice, and, where necessary and wanted, actually do the job with or for the general agent.

Functional divisions of the agency department are agency finance, management training, agent training, sales services, field personnel, and office services. The department is also divided for regional responsibility.

"To date we feel that the cornerstone of our agency supervision is our depart-




At L.I.A.M.A. annual meeting: Bruce E. Shepherd, Life Insurance Assn.; J. G. Parker, Imperial Life of Canada; Vincent B. Coffin, Connecticut Mutual, and Robert B. Parrish, Connecticut General.

ment organization," he said. "It does more for us in our system of general agency operation than anything else we have been able to devise and if we stray from that pattern, I hope we shall have the sense to return to it."

Albert Schancer, a member of the Lee

Nashem agency of Mutual Benefit Life in New York City, was honored by agency personnel on his 25th anniversary with the company.

Ralph B. Roach has been named assistant brokerage manager in Cleveland for Occidental Life.



OUR 50TH YEAR 1951

## A WORD OF APPRECIATION...


It occurs to us, as we celebrate our 50th year, that we owe a debt of gratitude to many people.

- ... To those who transplanted the life insurance idea to America and thus laid the foundation for the greatest institution for financial security the world has ever known.
- ... To the Presbyterian Ministers' Fund, first life insurance company in America, and those other early companies which pioneered in this great business.
- ... To Elizur Wright, father of sound State supervision.
- ... To the field forces who took the story of life insurance to the people and made the real sale.
- To them all, for making it possible for us to be 50 years old this year, and to have added our modest efforts to the service of Life Insurance in America, we bow in gratitude.

### The NATIONAL LIFE and ACCIDENT

## Insurance Company

INCORPORATED



## Marketing, Persistency Depend Too Much on Chance, Says Hale at LIAMA Meeting

Life insurance marketing procedures are so infinite in their variety that they

seem to be more the result of happenstance than planning. Persistency of business shows almost as variable a pattern from one company to another and even within classifications within the same company. With a tight manpower situation, agency executives more than ever have a responsibility for using manpower wisely and preserving and improving the skills and loyalties of agency staffs and field forces.

In a talk that was frank even by L.I.A.M.A. standards of candor, Stanton G. Hale, vice-president and manager of agencies of Mutual Life, discussed those three problems at the association's meeting at Chicago this week and offered his ideas for solutions.

As indicating the need for sharper pinpointing of market objectives, Mr. Hale stated that since 1929 the American

public has been putting about 7% of its income after taxes into security payments of all kinds, including not only private life insurance but A. & H., hospital and medical, retirement and pensions, social security, and government life insurance. However, private life insurance has been declining within this total. Its premiums accounted for the entire amount in 1932 but only about half of it last year, even though it is obvious that the American people are sadly underinsured.

Various answers are possible, Mr. Hale indicated, including taking up the sale of some of these other coverages. In any event, he said, "we need a clear picture of the kind of people to whom we want to sell, a basic merchandising philosophy and whether or not our product fits our markets and our approach."

### Not All Planned That Way

Citing the L.I.A.M.A. 1949 buyer study which shows how companies can and do differ in the buyers they sell to, Mr. Hale said some of these differences reflect a deliberate choice of market but "I have a hard time believing they all do—or that we realize fully how many other choices are open to us."

For example, he pointed out that one ordinary company sells half its policies to buyers with incomes under \$2,500. Two other companies sell half to buyers with incomes of \$2,750 or less. He said Mutual falls in about the middle at about \$4,450, but, "I can't truthfully say we planned it precisely that way."

The average age of buyers, he said, varies widely among companies.

Six companies sell half their business in policies of \$3,000 or less. "I don't mean to suggest that these extremes are wrong," Mr. Hale said, "I'm just asking in every case whether they represent our conscious planning."

### RICH SOURCE

Companies also vary widely as to the extent to which they get business from present policyholders, Mr. Hale said. One ordinary company gets 40% of its business from such sources but two companies get 5% or less.

The agency executive must be sure that his thinking has really permeated the company's managerial and field forces, said the speaker.

Mr. Hale said a recent Mutual Life study indicated what kind of business produces high or low lapse rates. Income, sex and premium frequency showed up as particularly important factors. Yet a company cannot reduce lapses merely by selling only to "quality" groups, which show lower average lapse rates. This would unduly restrict the company's market and would be putting the emphasis on a group that is a shrinking market in relative economic terms, besides denying protection to many good persisters in the non-quality groups. Also, such a policy would deny to younger agents their natural markets among lower income groups where premium payments must be adjusted to buyers' income.

### Must Improve Poor Persistency

"We must learn to do a better job on groups where persistency is bad and make it better," he said.

Some companies have solved the persistency problem or have at least done better than the rest, said Mr. Hale. Using a two year persistency record for four companies on policies issued during August, 1947, he said that one company showed lower lapses for older agents than new agents for all premium frequencies and their superiority was more marked the more frequent the payments. For another company, persistency was not only much better over all but on annual premium business new agents did as well as experienced, while on quarterly business its experienced agents did almost as well as another company did on its annual business. A fourth company's new agents did no worse than experienced agents on semi-annual and quarterly business.

"Obviously, differences in company lapse rates can not be explained away by differences in the share of business contributed by inexperienced agents, or by mode of premium payment," said Mr. Hale. "There is more to this persistency problem than meets the eye. Business should be persistent when an agent sells to the appropriate buyer an appropriate policy in the appropriate way. The key to our problem, I suspect, lies in finding why persistency varies so enormously among policies sold by individual agents. It is up to us to find out why some companies and agents do so much better than others."

### Much Room for Improvement

Turning to the man-power situation, Mr. Hale characterized the turnover figures cited the previous day by Rains Wallace, L.I.A.M.A. director of research, as providing plenty of evidence that there is room for improvement in recruiting, training and supervision. Mr. Hale said that to develop a reservoir of good man-power, much more work is needed like that done by the L.I.A.M.A. committee on relations with

universities and the American College. The business knows relatively little about how to adjust recruiting to the market served, he said. Compensation has made much progress, toward achieving objectives other than mere volume but much remains to be done, particularly on the question of financing new men.

"It's easy enough to design a plan where the cost to the company is kept low but whether it turns out to be low in the light of long-term results is another matter," he said. He expressed gratification that a subcommittee of the



Stanton G. Hale

NUMBER THREE in a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

## EQUIPPED FOR SUCCESS

Field associates of the Equitable Life of Iowa are equipped for success. A direct mail system and a constructively developed range of promotional material provide effective pre-approach and prospecting assistance. Selling aids in the form of sales literature and proposal forms are available for point of sale use, while many and varied are the good-will and prestige-building items supplied for follow-up purposes. Of major importance among all Equitable of Iowa sales aids is the KEY TO SECURITY service, a comprehensive programming plan of amazing effectiveness.



**EQUITABLE**  
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In addition to his full portfolio of life and endowment plans our agent can offer:

Juvenile Estate  
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Truly complete  
personal  
protection



The  
**COLUMBIAN  
NATIONAL  
LIFE  
INSURANCE  
Company**  
BOSTON, MASSACHUSETTS



agency costs committee of L.I.A.M.A. is working on the philosophy underlying new agent financing plans.

## TRAINING RESULTS

As for training, Mr. Hale said that assessment of the effects of training produces perhaps the greatest irony.

"By all the rules of common sense, training should be very productive in terms of both quantity and quality of business," he said. "Yet studies thus far all deny its effectiveness. It's up to you to get the facts on the kind of training needed. It's up to us to make it effective and profitable, and to do some major surgery on any training which isn't profitable."

### Plan Must Be Ambitious

A plan of operation for an agency department should be definite and ambitious, otherwise it won't take hold or build momentum.

Mr. Hale advised keeping in close touch with the field organization, partly through "listening posts," representative people in the organization who are wholeheartedly with the agency officer and his sales philosophy.

## Get Pointers on Making Sales Talk

Seven rules for making a good public or sales talk were given the New York City Life Underwriters Assn. at its November meeting by Percy H. Whitling, managing director of the Dale Carnegie Institute. First, he suggested that the agent talk only about what he has earned the right to talk about. He said "you earn the right" to talk about a subject by living through it or by a lot of reading and study. In general, he suggested that an agent know fifty times as much about his subject as he has time to put into his talk. Don't try to tell it to the prospect all at once, however, he cautioned.

His second suggestion was that the talk be made only about subjects which an individual earnestly desires to communicate to his audience.

The third rule for a good public talk is to be animated by which he meant either in facial expression or in voice.

Rule four was "Don't doodle. That is, don't do anything that will distract the attention of the listeners from what you are saying to what you are doing." He mentioned that he knew an agent in Nashville who could do, and always did, a knife trick that would keep him fascinated for hours, so fascinated that he never heard a word he said about insurance. So he didn't buy any.

### Make Talk Clear

Be clear and be understood was his fifth rule. "Avoid technical language. If you have to use a technical term, define it and then give an example. Insurance men, as I have met them, are the world's worst offenders in violating this rule," he said. "In my lifetime I've bought over a quarter of a million dollars of insurance and to this day the only thing I know about it for sure is that I can borrow money on it—up to a certain point."

Use examples, he advised. Examples make your talk more interesting, clearer, and more memorable. As a rule, any time you make an important general statement, nail it down immediately with an example. (A good salesman gathers and uses effective examples.)

### Stop Soon Enough

His final suggestion was that a salesman stop about half way through his talk or in any event before the audience wants him to stop. He says salesmen believe that if they can't get the order at the end of 30 minutes of talk they may get it if they say the same thing over again in 45 minutes. He said if the agent couldn't tell him what insurance would do for him and his family

in 15 minutes then the talk needed to go through a wringer.

There is a good deal of evidence pointing to a continued creeping inflation but it doesn't mean that inflation will run away with the value of the dollar or cause it to shrink drastically, Elmo Roper, marketing research expert, told the group.

He stressed, however, that some people are very concerned over the fact that they might be buying insurance with 60 cent dollars and may have a return in 30 cent dollars. He said that a serious deflation isn't in the cards unless the country seriously curtails its rearmament. Inflation remains as the greater longterm and even medium term threat. He bolstered his talk with a great array of facts and figures on trends in the economy.

## Berg Joins Western States

Eric W. Berg has become superintendent of agencies of Western States Life of Fargo, N. D. He will be in charge of agency development in Minnesota and South Dakota.

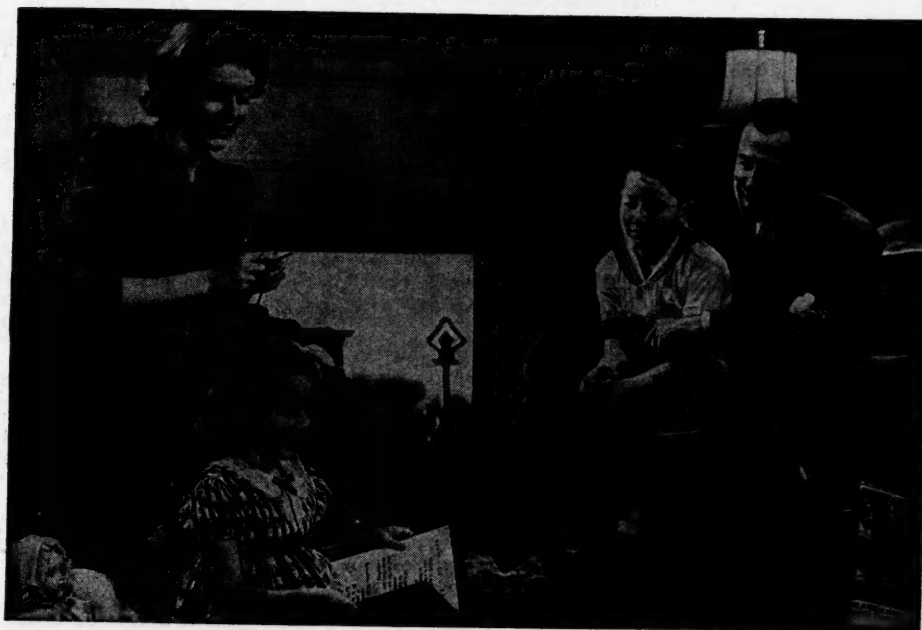
He has had wide experience both in personal production and supervisory work, including training and recruiting of both agents and general agents.



At the fellowship luncheon during the L.I.A.M.A. meeting at Chicago: From the left, Mrs. Olen E. Anderson, whose husband is the outgoing president of L.I.A.M.A.; Mrs. George Dunbar, whose husband is superintendent of agencies of Mutual Life of Canada; Mrs. Charles J. Zimmerman, whose husband is managing director of L.I.A.M.A., and Mrs. Ford D. Albritton, whose husband is vice-president and manager of agencies of Great Southern.

Piedmont Life has appointed J. Cleve Gables, Fla., with offices in the First Allen, new general agent at Coral National Bank building there.

## Prudential Security Plans Sell Because They Serve



A home for keeps. That's what Howard Benton has guaranteed his family. Even if he should die tomorrow, his Prudential mortgage insurance plan would provide enough cash to cancel his home mortgage.

Benton has an \$8,000 plan:

- \$2,000 of Whole Life Paid-up at 85
- And a 20 year Decreasing Term rider for \$6,000 (initial amount)

At age 32, this plan costs him less than \$21.00 quarterly.

Jim Sleight, Prudential man who sold this plan, says, "Give me Prudential's Decreasing Term riders every time for closing mortgage insurance sales. They're flexible, low cost, and easy to sell."

Prudential's Decreasing Term riders are available for 10, 15, 20, or 25-year periods. Ask your Prudential Agency for details.

The above facts are based on an actual case, but of course true identities are not given.



## THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

A mutual life insurance company

Home Office:  
Newark, N. J.

Western Home Office:  
Los Angeles, Calif.

Canadian Head Office:  
Toronto, Ont.

## EDITORIAL COMMENT

### Read One Paper Well

Far more value will be obtained by reading well one business paper than by skimming over a dozen of them. The most difficult job, when trying to get out of a business paper what is there for the reader, is to keep attention riveted item by item to answer, "What is there in this item useful for me?"

It may be a necessity to skim through some papers after having read one well but to apply the skimming operation to all papers will result in losing the cream in all of them. Concentrated, purposeful

celebration, item by item and paragraph by paragraph can bring so many hidden values to view in a business paper that the reader will wonder why he never started practicing at it before.

Take this issue you have in your hand, going over it column by column to find out what is there for you and get a new thrill out of your business paper reading. A good business paper does not yield its richest returns to surface mining. Read at least one business paper and read it well.

### Average Earnings and Individual Agents

In the imminent legislative hearings on section 213 of the New York insurance law, witnesses will surely have considerable to say about the low average income of agents under the law's expense limitations and the turnover rate among agents. We hope that none of our readers among the newer agents permit themselves to be discouraged by such statistics.

Hearing about documented statistics on earnings and turnover, a new agent may very well feel that he has gone into a field where the cards are stacked against him. Admittedly, some of the figures don't make pretty reading. For example, Gordon D. McKinney, former actuary of the National Assn. of Life Underwriters and now vice-president of Security Mutual Life of Binghamton, N. Y., said in his lecture at the C.L.U. Institute at Storrs, Conn., in August that of 100 men contracted only 50 last as much as a year and only five survive to become what might be called "career underwriters."

Mr. McKinney said that studies he had made indicated that, even figuring on the liberal side, the average agent makes at the most \$3,300 a year after paying his business expenses. The \$3,300 figure was obtained after making allowance for the increased volume of business per agent during the last 10 years.

That is certainly not an imposing figure but even as an average it is not quite so bad as it looks. It doesn't include earnings from general insurance lines, such as fire and automobile insurance, that a great many life insurance agents write. Also many life insurance agents have sidelines outside the insurance business. Then, too, there are agents who have independent incomes or whose wives have jobs or independent incomes. Such agents—on

the average—probably don't feel compelled to exert themselves in selling life insurance to the extent that they otherwise would.

But the big point about averages is that while they are important to a company and to an agency head, they mean little to the individual agent. We question whether that \$3,300 average earnings figure would really have much of an effect on a man who had any kind of aptitude and enthusiasm for the business of selling life insurance. Averages are often discouraging. We don't know what the average income for employed males in the United States is but if a man seriously regarded himself as being limited by that he would certainly be discouraged. He would also, of course, be a fool, for in any specific case an average is no more accurate a guide than the average expectation of life table is in predicting what day a man will die.

An average earnings figure is particularly meaningless for an individual agent when it is borne in mind that it includes the range of earnings all the way from the multi-million dollar producer to the man who is failing his way out of the business as fast as he can.

The meaninglessness of averages in the case of any particular agent does not detract in the least from the importance of these figures in the picture as a whole. It is vitally important that a new and more realistic expense limitation statute be adopted in New York, for the benefit of the entire business, the individual companies and persons in it, and, in the long run, for the public as well.

But the agent is an individual and if some of the figures cited about agents' average earnings should seem disheartening, he can remember Theodore Roosevelt's remark: "I'm only an average

man but, by George, I work at it harder than the average man!" And if any agent still fails to appreciate how meaningless an average figure can be for him as an individual, he might recall the story about the statistician who went duck-hunting. The statistician put one shot just behind the duck, and one shot just ahead of the duck, and on the average the duck was dead.

Rather than looking at average figures and trying to gauge his own potentialities thereby, the new agent might

do better to remind himself that there were 723 agents who paid for a million dollars or more of new business in 1950. Of that number, incidentally, more than three-quarters were operating under the expense limitation of the present New York Law.

A change in section 213 will certainly give the individual agent a better break but how much money he makes will depend far more on how he conducts his business than on any change in the rules.

## PERSONAL SIDE OF THE BUSINESS

**Homer Trantham**, secretary and counsel of Insurance Federation of Ohio, Ohio Assn. of Life Underwriters and Ohio Assn. of A. & H. Underwriters, has been elected a member of the board of education at Columbus.

**James F. Malone, Jr.**, former Pennsylvania commissioner has been elected district attorney of Allegheny county (Pittsburgh). He will take office in January. He beat down the Republican organization candidate in last July's primary election to win the nomination and last week was again victorious, in spite of a large Democratic registration majority against him.

**Albert J. Schick**, Prudential sales promotion specialist, delivered the inaugural address at the founding of the insurance club of Seton Hall University, South Orange, N. J. The principal purpose of the club is to promote friendly relations between students, faculty and insurance men, and to encourage and train students for life insurance careers. Mr. Schick, who introduced a C.L.U. course at Seton Hall a year ago, spoke on "Life Insurance—the Modern Miracle."

**James Barrick**, Bankers Life of Iowa agent at Chicago, recently banked 35 pounds of pennies—5,184 in all. The pennies, collected during the last four years, are being saved by Mr. and Mrs. Barrick for their first child's college insurance policy. They expect the child in April.

**Col. Charles W. Earnshaw**, training director of State Mutual Life, has been named commandant of the 1036th organized reserve corps school which has been activated by the army at Worcester, Mass. Classes will begin some time in January.

**Vincent B. Coffin**, senior vice-president of Connecticut Mutual Life, spoke at the Mid-Continent Trust Officers Conference in Chicago on "There's No Mystery in Salesmanship."

**Lester Becker**, St. Louis general agent of Lincoln National, has been elected president of Westborough Country Club.

**Thomas E. Lovejoy, Jr.**, president of Manhattan Life, has been named chairman of the clinic committee of the Mortgage Bankers Assn. of America.

**Robert R. Reid**, veteran Chicago agent, celebrated his 85th birthday anniversary Nov. 8. He began his life insurance career more than 60 years ago as a representative of Equitable Society in Oregon. He covered much of the state by stage-coach and horse and

buggy. He joined Northwestern Mutual at New York City in 1899, transferring to Chicago in 1921 where he is today a substantial producer in the Jamison & Phelps agency. Mr. Reid ranks among the top half-dozen all-time Northwestern Mutual agents in production volume.

**William J. Cooper**, Occidental Life general agent at Louisville, recently became a father for the sixth time. All six are boys.

**Edwin F. Nason**, cashier at Hartford of Phoenix Mutual Life, has been appointed chairman of the special gifts committee of the Hillyer College fund campaign.

**Charles E. Baldwin, Jr.**, treasurer of New York Life, has been elected to the advisory board of a branch bank of the Chemical Bank & Trust Co. of New York.

**William V. Harbert**, deputy chief actuary of New York Life, is celebrating his 50th anniversary with that company. He began his business career in at the age of 16 when he joined New York Life as a messenger.

Business Men's Assurance has been licensed to do business in Florida.

### Honor Coffin



**Vincent B. Coffin**, center, senior vice-president of Connecticut Mutual Life, receives congratulations at a testimonial dinner held at Hartford in honor of his 20th anniversary with the company. On the left is A. Van Pritchard, Memphis chairman of the general agents' advisory committee which set aside September as a special production month for Mr. Coffin. On the right is Peter M. Fraser, president of the company. There were 15 top producers attending to celebrate an all-time record volume of \$39,104,652.

## THE NATIONAL UNDERWRITER

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SE. Actu

Southeastern Life, Liberty Life, Moore, South partnership, sec Provident Life of Georgia members. The annual n Guest speaker George Young and Dr. C. J. was of Tennessee

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## DEATHS

**SIDNEY WERTIMER**, 59, Prudential ordinary manager at Buffalo since 1931, died of a heart attack at Amherst, N. Y. Mr. Wertimer collapsed as he was bowling with his wife and friends. The son of the late Henry Wertimer, who pioneered for Prudential in Buffalo, founding the agency more than 60 years ago, he joined his father as a partner in the firm in 1915 and became manager when his father died in 1931. He was a past president of the Buffalo association, the Buffalo life managers, the New York state association, and had been a trustee of N.A.L.U. In 1948 he was elected chairman of the advisory committee of the New York department. He was a veteran of the Mexican expedition and the first war and served in one of the first army air observation units to be sent overseas in 1916.



Sidney Wertimer

**FRANK J. MANNING**, 55, manager of the Shorewood district of Metropolitan Life, Milwaukee, died after an illness of two weeks. He started as an agent 34 years ago at Milwaukee, and served as manager at Sioux City, Cedar Rapids and Peoria before returning to Milwaukee in 1941.

**ARTHUR R. EDMISTON**, 81, retired general agent for Union Central Life, died at his home in Lincoln, Neb. He began his insurance career in 1887, entering his father's general agency there as cashier. He became a general agent for Union Central in 1910 and retired in 1935. His son, Robert H. Edmiston, is a Seattle life insurance man.

**DOMENICO A. ROSSI**, 54, manager of Unity Life & Accident at Utica, N. Y., for many years, died after a brief illness. He went to Utica in 1904 and for 14 years was with Metropolitan Life. He had been with Unity Life for 15 years.

**BYRON H. TIMBERLAKE**, 80, former Minnesota deputy insurance commissioner, died at Long Beach, Cal. He had been with Prudential at Minneapolis for more than 50 years until his retirement seven years ago. He served two terms in the Minnesota state legislature and was largely responsible for the legislation on the fireman's retirement fund.

**WILLIAM G. WRIGHT**, 31, son of George A. Wright, agency personnel manager Northwestern National, was killed in an automobile accident near Elk River, Minn. Mr. Wright, Sr., who was also in the accident, was not hurt seriously.

**THEODORE MARLIER**, 40, for five years supervisor for Retail Credit Co. and previously for eight years an agent of Prudential at Milwaukee, was stricken in a falling station where he had gone for help to extricate his car from snow. Death was apparently due to a heart attack.

**S.E. Actuaries Elect**  
Southeastern Actuaries Club elected James H. Livingston, Jr., Liberty National Life, president; Walter Mays, Liberty Life, vice-president; Burton E. Moore, South Carolina insurance department, secretary, and Henry Unruh, Provident L. & A., and Bruce Batho, Life of Georgia, executive committee members. The officers were elected at the annual meeting at Columbia, S. C.

Guest speakers at the meeting were George Young, Connecticut General, and Dr. C. J. Crobaugh of the University of Tennessee.

Ordinary sales for October for Northwestern National Life totaled \$11,535,000, 18% ahead of October, 1950.

## OBSERVATIONS

## The Texas Cow Turns Around

Things have been reversed in Texas. In 1907, Southwestern Life sent out a blotter which drove home the message that Texas money was leaving Texas, for the east. This blotter showed a cow standing on a map of the United States. The cow was eating grass in Texas and it was being milked by a top-hatted Wall street baron at the other end of the line. The legend on the blotter read: "Turn the cow around and keep Texas money in Texas." It was items such as this that stirred up the Texas legislature to pass the Robertson bill which required all life insurance companies to invest in Texas securities 75% of reserves against Texas business. The big eastern life companies withdrew from the state.

Today the eastern companies are not only back in Texas selling insurance, but they are fighting hard to invest in that booming state. T. L. Bradford, Jr., vice-president of Southwestern Life, has reported increasing difficulty in competing with eastern money. Competition is so intense that Texas mortgages can be had at 4 or 4½%.

## CIO Remains on Federal Course

A report from the CIO committee on social security at the annual meeting of that body shows that the organization officially has not slackened in its demands for increased social security, federal unemployment insurance, the national health program, social security for federal civilian employees and immediate provision of hospitalization for all persons entitled to receive old age and survivors insurance benefits. This despite the fact that some CIO leaders have indicated a possibility of providing an adequate national program of health insurance for their membership through voluntary plans.

## Misinterpret Emeloid Case

Home office tax counsel have been disturbed by incorrect interpretations given the Emeloid case by agents unfamiliar with tax law. Some overenthusiastic literature has been written about the case that leaves the impression that a corporation can deduct for income tax purposes the premiums that it pays for key man insurance. This cannot be done.

The case is, however, one of the most helpful in recent years in the sale of business insurance. In particular the language used by the court in talking about the merits of key man insurance has been of great help. Several home offices have distributed sales promotion items keyed to the decision in the Emeloid case, containing principally excerpts from the court's opinion.

## N. Y. Hearings on Sec. 213 Nov. 29-30

The New York state joint legislative committee on insurance rates and regulation has announced officially that it will hold public hearings on section 213 Nov. 29-30. The hearings will commence at 10 a.m. in the headquarters of the Assn. of the Bar of the City of New York at 42 West 44th street.

Section 213 will be the only subject on the agenda. All individual companies, associations or other groups desiring to submit written memoranda or other data to the committee for its consideration must submit 10 copies to Paul L. Bleakley, committee counsel, at 30 South Broadway, Yonkers, not later than Nov. 23.

Senator William F. Condon, Yonkers, is committee chairman.

Prescott S. Bush, a partner in the private banking firm of Brown Bros. Harriman & Co., has been elected to the board of Prudential.

## Penn Mutual Fetes Clegg at 60-Year Mark

John William Clegg, center receives a certificate in recognition of his 60th year with Penn Mutual Life from President Malcolm A. Adam, left, and Chairman William W. Bodine of Penn Mutual. Mr. Clegg was honored at a reception by the vice-presidents of the company. During the 60 years he has achieved most of the honors that can come to a life insurance man. He is a past president of National Assn. of Life Underwriters and of the Philadelphia association. He is a life member of the Million Dollar Round Table. During 42 years in the field, he placed \$25 million of life insurance on 1,585 lives. Mr. Clegg has put through 2,199 Penn Mutual contracts which have already paid out \$6 million in death claims. Before entering the field he was a clerk at the home office. He is with the home office agency.



Guardian Life will issue an estimated 7.1% over 1951. The regular dividend \$3,750,000 in dividends to policyholders scales used this year will be continued in 1952. This represents an increase of next year on all policies.

## Central Standard

LIFE INSURANCE COMPANY

211 W. Wacker Drive  
CHICAGOAll forms of  
LIFE—INCLUDING GROUP—A & H  
Expanding . . . Agency OpportunitiesALFRED MACARTHUR  
Chairman of the BoardWILBUR M. JOHNSON  
President

profitable... to the career

agent are Pacific Mutual's complete personal protection plans. One reason—ACCIDENT &amp; SICKNESS DISABILITY INCOME is a coverage policy owners are proud to recommend.

Pacific  
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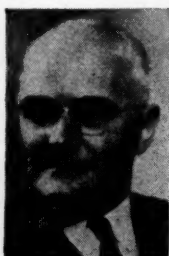
HOME OFFICE—LOS ANGELES, CALIF.  
Doing business only through General Agencies  
located in 40 states and the District of Columbia

1868

## AMONG COMPANY MEN

### Riesenman, McGuire Elected V.P.s of Security L. & A.

S. A. Riesenman and Ira J. McGuire have been elected vice-presidents of Security Life & Accident. Mr. Riesenman, with the company 22 years, has been secretary. He is a director of L.O.M.A. and past president of Colorado Assn. of A. & H. Underwriters. Mr. McGuire, who has been assistant to the president, will retain that position. He has been with Security more than 20 years.



S. A. Riesenman

W. C. Neu, with the company since 1906, succeeds Mr. Riesenman as secretary. Nelson E. Aregood, Jr., is appointed to the newly created office of comptroller. He is a fellow of L.O.M.A. and has been with the company nine years. Hugo Soll, former assistant vice-president, becomes secretary in charge

of underwriting. Florence Delaney, the first woman to become an officer of the company, is named assistant secretary. She has been with Security 20 years.

### Four Named to New Posts

United Fidelity Life of Dallas has appointed four people to newly created positions, and has advanced one. Those in new positions are Margaret Claypool, chief underwriter; Roberta Hartman, assistant secretary; Lucille Holiman, manager policy department; Elizabeth Spinks, assistant secretary. Homer M. Drew was promoted from assistant secretary to 1st assistant secretary.

Miss Claypool has been with the company since 1926 in the medical department. She is a charter member of Texas Home Office Life Underwriters Assn. Mrs. Hartman has been with Fidelity since 1929. She has done secretarial work, has edited the company's weekly publication and at present handles all policyholders' claims.

Mrs. Holiman began her career with United Fidelity in 1923. She has been in many departments and has been in the policy department since 1926. Miss Spinks joined the company in 1926 as secretary to the president. She has

worked in almost every department in the home office and is at present handling payroll and all company disbursements.

Mr. Drew has been with the company since 1923 and was elected assistant secretary in 1928. He has headed nearly every department in the company and at present is in charge of the renewal department. He is a veteran of the first war and a member of the associate section of the Texas Life Convention.

### North American L. & C. Adds Chelgren to Agency Staff

North American Life & Casualty has named Paul Chelgren assistant director of agencies.

Mr. Chelgren entered the business in 1938 with New York Life at Eau Claire, Wis. Since 1941 he has been general agent for Mutual Trust at Minneapolis. He has addressed every association in Minnesota as well as the sales congress in that state and in North Dakota. He is a C.L.U. and has instructed the advanced L.U.T.C. class in Minneapolis.



Paul Chelgren

### Pacific Mutual Ups Four

Pacific Mutual has promoted four members of the home office agency staff. Richard Blaul has been named director of agency management training; Albert F. Gardner, manager of recruiting and basic training; Wayne S. Bishop, manager of sales promotion, and Roy V. Proctor, assistant manager of sales promotion.

### Blevins Now Claim Manager

J. R. Blevins has been promoted to manager of the claim department of National Bankers Life of Dallas. He has been for some time assistant head of that department, and succeeds Harry W. Preece, who will serve as claims consultant and adviser. Mr. Blevins had several years of insurance background before joining National Bankers.

### Sterling Names Edelman

Sterling of Chicago has appointed Sherman J. Edelman assistant secretary. Mr. Edelman joined the company in 1947 while a law student at DePaul University. In 1950 he was recalled by the navy for service in Korea.

### Dickinson, Jr. Now President

Charles F. Dickinson, Jr., has been elected president of Interstate Reserve Life of Chicago. Other newly elected officers include Charles F. Dickinson, Sr., 1st vice-president; Fred N. Graff, 2nd vice-president, secretary and treasurer; Lily Trestenjak, assistant secretary-treasurer; Edna Zinkil, assistant secretary-treasurer. Mr. Dickinson, Jr., succeeds to the post relinquished by Mr. Dickinson, Sr., due to age and failing health.

### Promoted to Claims Counsel

Fred C. Parcher, former claims attorney for the Farm Bureau companies, has been promoted to claims counsel. He joined the companies in 1936. He graduated from Ohio State and is an army veteran of the second war.

### Commonwealth Names Peter

Cary Peter has been appointed supervisor of agencies of Commonwealth Life. He entered the life business in 1946 with Reliance Life and in 1948 was appointed assistant director of training for that company. In 1950 he was appointed agency assistant and later was made manager of the Philadelphia agency.

## COMPANIES

### Mass. Mutual Pays Half of LUTC Fee for Its Agents

Massachusetts Mutual, to support the Life Underwriting Training Council program and reward its successful enrollees, will refund half the tuition charge to agents who successfully complete either section of the L.U.T.C. course each year. This arrangement is effective beginning with the 1951-52 school year. The company feels that the L.U.T.C. program has proved its worth as a valuable supplement to the company's training program.

The company also helps candidates for the C.L.U. designation. It pays half the cost of each examination and the remaining portion is refunded to the candidate on successful completion of each examination. Massachusetts Mutual now has 138 C.L.U.'s, 13 of whom were awarded the designation this year. It also has 55 representatives on the 1951 Million Dollar Round Table and 297 agents recipients of the national quality award for 1951.

Some 75,000 of the 110,000 shares of stock of Jefferson Standard Life sold

**Over**  
**\$7,000,000.00**  
**Congratulations!—**

and thanks—to the men and women of our field organization who established a new record production during our nineteen fifty-one Anniversary Campaign.



**Bankers Life**  
INSURANCE COMPANY  
OF NEBRASKA

### FINE GENERAL AGENCY OPENINGS AVAILABLE

— IN —  
DETROIT • LANSING  
ELGIN • JACKSON

FOR THE AGENCY MINDED  
LIFE UNDERWRITER

### QUALITY Company

The Highest Rating . . . Mutual  
Over Half Century Experience  
Over \$320,000,000 Insurance  
Over \$110,000,000 Assets  
Over \$ 9,000,000 Surplus  
Full Level Premium Basis  
Sub Standard Underwriting  
Direct H.O. Prem. Collection  
Very Low Net Cost

### QUALITY Compensation

Highest for Life Underwriters  
Outstanding for General Agents  
Commissions well vested  
Liberal Retirement Pensions

### QUALITY Training

Home Office Group Training . . .  
For the New Life Underwriter . . .  
For the New General Agent . . .  
Refreshers for Career Men  
Re-Training for General Agents

### QUALITY Territory

Very often possible . . .  
For the Ambitious Man  
Who wants to build  
A Quality General Agency  
With very few quality men  
Right in his own Territory

**CENTRAL LIFE**  
ASSURANCE COMPANY  
DES MOINES, IOWA

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From Every Angle—One of the Best

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by Ralph C. Price at \$38 per share have been purchased at \$39 by directors of the company through Hugh F. Dickson of Atlanta.

### Guardian Drive Tops Quota

The field force of Guardian Life honored President James A. McLain with a quota-breaking volume of submitted business in a month's campaign ending Nov. 1.

The total written exceeded \$20 million, representing 109% of the quota set, with 34 agencies bettering their individual quotas. The George B. Walton agency, Philadelphia, was first with 233.8%; William J. Reilly agency, Cleveland, second, 198%, and Thomas G. Herbert agency, Denver, third 190.9%.

Individual honors in volume went to Manager Julius M. Eisendrath of New York City, with Sidney M. Gershon, Atlanta, second, and Sam Baum, Denver, third. Joseph P. Sherman of Cleveland led in number of lives submitted, closely followed by Elmer J. Ellis of Evansville and Albert Durner of the James Elton Bragg agency, New York.

### U. S. Life to Enter Cal.

United States Life is making arrangements to enter California. E. J. Moorhead, executive vice-president, is now on the coast in that connection.

### New Oregon Insurer

American Guaranty Life is the name of a new company formed at Portland, Ore., by a group of business men from the Roseburg district. The company has a capital of \$100,000 and surplus of a like amount. Following election of officers it will apply to the Oregon department for a license.

### Fraser Host to 25-Year Club

President Peter M. Fraser of Connecticut Mutual Life was host at the annual dinner of the company's Quarter Century Club, composed of 117 employees.

Minnesota Mutual Life has offered the city of St. Paul \$226,000 for half of a city owned block in downtown St. Paul. If the offer is accepted the company plans to erect on the site a new home office building costing more than \$1 million.

### Penn Mutual 25 Year Club Meets With 304 Members

The Quarter Century Club of Penn Mutual held its annual meeting in Philadelphia with home office employees who had been with the company 25 or more years. Hibbard G. Gumpert, president of the club, presided. The two speakers were Malcolm Adam, Penn Mutual's president and William W. Bodine, chairman of the board.

In his talk President Adam pointed out that the club had 304 members, and that of these, 223 are still actively engaged in service. The average years of service for the entire group was 33.

Mr. Gumpert was reelected president, Stanley E. Weil, R. Francis Capelli, and William A. Peffle were elected vice-presidents. Mary A. Faul was elected secretary; J. Newman Smith, treasurer; William P. Lister, historian.

### Judson Smith to Navy Post

Lieut. Comm. Judson L. Smith has been recalled to active duty with the navy and is serving in the bureau of naval personnel at Washington as head, insurance branch. He was associate agency manager at Baltimore for Equitable until his recall.

### Bankers, Ia., Training School

Sixteen agents from 12 agencies of Bankers Life of Iowa attended a home office sales training school at Des Moines.

The school, first in a series of three, was under the direction of Roy A. Frowick, director of training schools.

## NEWS OF LIFE ASSOCIATIONS

### Ward Urges "Friend" Market at Louisville Meeting

LOUISVILLE—John H. Ward, Aetna general agent, addressed Louisville Assn. of Life Underwriters on "Selling Your Friends." In his talk Mr. Ward estimated that about 85% of life insurance written every year is written by agents dealing with persons who are complete strangers. He said that in his experience new men seem to do a better job with strangers, but that the reason for this probably lies within themselves.

"Too often," Mr. Ward said, "insurance men feel that 'my friends know me, that I am in the insurance business, and if they want some insurance they will call me.'" In answer to this he says "Phooey." If an agent feels that he is imposing when calling on a friend, it would seem to be a poor tribute to the life business, he said. It would indicate that those friends have not been exposed to a good life insurance salesman.

Analyzing it from the friend's viewpoint he could do one of two things to the insurance salesman. He will buy

some insurance or he won't buy, but he will still feel that he has been approached by a good insurance salesman. The friend will know that "you are a friend who is interested in and concerned over his situation. He will know that you are a person in whom he can confide and whose ideas carry considerable weight. He will feel that you are a person whom he can recommend to others and he will feel that you are a person from whom he will buy when he buys," he declared.

Mr. Ward cautioned the group not to leave their friends wondering "Doesn't he want my business? Doesn't he care about my insurance problems? Doesn't he feel qualified to call on me? Doesn't he have time for me?"

### Hold Tennessee Institute to Study Business Insurance

"We are here to help the life underwriter with his toughest and most exacting assignment, the sale of business partnership liquidation insurance," Joseph F. Trosper, insurance professor of University of Tennessee, told the Tennessee Life Underwriters Institute, held

on the university campus at Knoxville.

The institute, promoted jointly by Tennessee Assn. of Life Underwriters and the university, attracted nearly 100 agents from all over the state. The program was confined to business insurance problems. Principal speakers were Miss Alice E. Roche, assistant director of education and training of Provident Mutual; Warner F. Haldeman, associate counsel of Penn Mutual; J. H. Hardy, accountant-attorney, Chattanooga, and E. T. Proctor, Northwestern Mutual, Nashville.

### Notable Speakers Listed for S. C. Life Insurance Days

A notable program has been arranged for South Carolina Life Insurance Days at Columbia Nov. 30-Dec. 1, co-sponsored by South Carolina Assn. of Life Underwriters and University of South Carolina. Sessions will be held at the university and the Wade Hampton hotel.

Speakers will include Robert V. Hatcher, president Atlantic Life; R. H. Dobbs, Jr., president Life of Georgia; Howard Holderness, president Jefferson Standard; Robert L. Hogg, vice-president and general counsel of American Life Convention; Edmund L. G. Zalin-

## Liberal Juvenile Contracts

With his complete line of liberal Juvenile contracts, the LNL representative can offer his prospects for Juvenile insurance the popular educational endowments, and Life, Retirement, and short term Endowment plans down to age one day. Full death benefits are provided from age one year. The parent retains control of the policy, and the popular Payor benefit may be added even if the parent is a substandard risk.

This complete line of liberal Juvenile contracts provides another reason for our proud claim that *LNL is geared to help its field men.*



## The LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne 1, Indiana

*Its Name Indicates Its Character*

ski, assistant vice-president New York Life, and Stanton G. Hale, vice-president and manager of agencies of Mutual Life.

John M. McFall, formerly vice-president and general counsel of U.S.F.&G., and now lecturer on insurance at the university, is chairman of the program and has made most of the arrangements for speakers.

### Mich. Caravan Successful

The first "sales caravan" sponsored by Michigan Assn. of Life Underwriters proved most successful, attracting an attendance of some 500 life underwriters in seven cities, despite adverse weather conditions.

Louis Pohl, Life of Virginia, Pontiac, and association vice-president, directed

the caravan and Mac Begole, Massachusetts Mutual, Ann Arbor, state president, also made the rounds, along with the featured speakers, Harold O. Love, Detroit attorney, who discussed business insurance, and John Calfa, Chicago producer, who presented a "Blueprint for Selling." Commissioner Navarre of Michigan attended the final session at Lansing. Other cities visited were Pontiac, Flint, Saginaw, Grand Rapids, Kalamazoo and Jackson.

### Kansas Assn. Seminar

The Kansas Assn. of Life Underwriters and the Wichita association in cooperation with the University of Kansas, presented a one-day seminar on business insurance. Speakers included Elliott Belden, president Kansas association;

Dr. David L. MacFarlane, president of Kansas State Teachers College, and Leon G. Simon, Million Dollar Round Table life member and past president of the New York City association.

### Set Indiana Caravan Dates

Dates for the Indiana caravan sales congress have been announced by Lawrence Leland, assistant director of agencies of American United, who is caravan chairman. Meetings will be held at Evansville March 27, Indianapolis March 28 and South Bend March 29.

Mr. Leland is being assisted in planning for the congress by James Bettis, general agent of Berkshire Life at Indianapolis. This will be the fourth year for the Indiana meetings.

### Indiana Assn. Hears Craig

The featured speaker at the mid-year business meeting of the Indiana State association was Lowell Craig, general agent Northwestern Mutual. A former Indianapolis special agent for his company and a Million Dollar Round Table member, Mr. Craig spoke on "Selling in an Inflationary Market."

**Syracuse** — Harry C. Copeland, general agent of Massachusetts Mutual, spoke on merchandising life insurance in the modern manner at the Nov. 15 luncheon.

**Kansas City** — Elmer Moore, New York Life, Wichita, trustee of N.A.L.U. and a life and qualifying member of the Million Dollar Round Table, spoke on "Estate Planning" at the November luncheon meeting.

**Pasadena** — The Pasadena-San Gabriel Valley association heard Gene Andrews, Lincoln National general agent at Los Angeles, speak on "How I Do It."

**St. Louis** — A. R. Jaqua, director of the S.M.U. course, spoke on "Where Do We Go from Here?" Members of the association and other life men were guests of the Security National Bank.

**Hartford** — B. N. Woodson, managing director N.A.L.U., spoke on "A Dime's Worth of Ideas."

Vincent B. Coffin, senior vice-president of Connecticut Mutual, presented C.L.U. designations to his son, S. Rush Coffin, Aetna Life; Richard S. Carpenter and Frank P. Sheldon, both of Phoenix Mutual, and Waino T. Ray, Travelers.

**South Bend, Ind.** — Earl M. Schwemm, Chicago manager of Great-West Life, spoke on "Selling in Today's Market."

**New Bedford, Mass.** — John C. Hurd, manager for Penn Mutual at Boston, spoke on selling angles that work.

**San Francisco** — E. J. Moorhead, executive vice-president of United States Life, spoke.

**Ft. Lauderdale** — August Burghard, president of August Burghard, Inc., spoke on the city's future at a meeting of the Broward County Assn.

**Toledo, O.** — Frank L. McFarlane, Northwestern Mutual, Cleveland, a member of the Million Dollar Round Table, spoke on aiming high.

**St. Louis** — B. N. Woodson, managing director of N.A.L.U. speaks on "More Power to You," Nov. 16. He will also speak at a breakfast meeting of the St. Louis managers.

**Paducah, Ky.** — Joseph G. Well of Owensboro, national committeeman for Kentucky, spoke on "Why We Need Underwriters Associations."

**Evansville, Ind.** — Elmore A. Voss-meyer, Nashville, Tenn., manager for Equitable Society, spoke on "Action Unlimited."

**Milwaukee** — The human factors involved in the settlement of life insurance claims, with specific instances of how payments made by companies have helped beneficiaries weather the period after the death of insured, were discussed by Jerome A. Boyer, assistant superintendent of claims of Northwestern Mutual, speaking on "The Sunny Side of the Street."

**San Antonio** — Jack Foster, Reliance Life, and O. P. Schnabel, Jefferson Standard, members of the legislative committee, urged opposition to the Kil-day bill in Congress providing broader benefits for servicemen's beneficiaries.

President W. R. Lyman, Equitable Society, spoke of "a free mortgage cancellation policy" advertised by a real estate

firm. He said this violation of the Texas law on rebating has been called to the attention of Commissioner Butler and that Mr. Butler assured him steps have been taken to stop it.

**Woodrow C. McGill**, Prudential, national committeeman, reported on the Los Angeles convention.

**Harry Krusz**, executive vice-president of San Antonio Chamber of Commerce, told of its work.

**Portland, Ore.** — Hugh S. Bell, general agent for Equitable Life of Iowa at Seattle, spoke at the Nov. 9 meeting.

**Eau Claire, Wis.** — Speaking on "Success Mechanics," Charles W. Tomlinson, Madison, southwest Wisconsin manager of Bankers Life of Iowa and president of the Wisconsin association, told the Chippewa Valley association that the habit of doing things which failures do not want to do is a common denominator of success. How banks assist life insurance by providing savings plans for payment of premiums and repayment of policy loans was discussed by Ralph Gilbert, local banker.

### Christmas Gift Policy

One of those that received the following letter from Insurance Director J. Edward Day of Illinois, has given it to THE NATIONAL UNDERWRITER:

"Mr. Day has asked me to advise each of those who were kind enough to send him a remembrance last Christmas when he was new in office that he will not be accepting any gifts from industry sources this Christmas."

**Walter A. Robinson**, Ohio superintendent, is back at his office almost completely recovered from his recent illness. Contrary to original reports circulated throughout the State House Mr. Robinson did not suffer a heart attack, or any other impairment of the circulatory system. Instead, his illness was diagnosed as a gastric disturbance, which apparently was the aftermath of a strenuous automobile trip he had recently completed, which included several conferences in Ohio and Illinois.

## Let's Talk

The  
Perfect  
Gift  
for  
Christmas

No words—no photographs—nothing less than holding it in your own hands can possibly give you an adequate appreciation for the new George Rhawn "My Personal History and Family Record" remembrance gift book. This is a gift your substantial client or center of influence will treasure all his life. He will show it with high pride and it will be cherished by his family for generations.

As a personal and family document, "My Personal History and Family Record" will grow in value with the years—for it helps establish pension, social security, birth, baptism, marriage, death, ancestry, passport and other data. That is why underwriters like Loren D. Stark, CLU, Houston, Texas, call special attention to this book in lectures at Advanced Underwriter Seminars and why they personally use it in quantity lots.

**Heritage edition:** bound in handsome, deluxe padded two-tone rawhide saddle finish cover, rounded corners, \$5. **Heirloom edition:** handsome, durable two-tone cordoba cover with blue and gold title, \$3.50. Quantity prices on either edition. A PRICELESS GIFT. WHEN YOU SEE IT YOU WILL AGREE.

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RESEARCH & REVIEW SERVICE

PAUL SPEICHER • PRESIDENT

OLD REPUBLIC  
OLD REPUBLIC CREDIT LIFE INSURANCE COMPANY

Specialized Insurance Service  
Safeguarding Consumer Credit

JAMES H. JARRELL, President HOME OFFICE: Chicago, Illinois

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San Francisco, Calif. • Columbus, Ohio • Tulsa, Oklahoma

## What they SAY Concerning PAY

"To the victor belongs the spoils."  
—WM. L. MARCY, 1832  
"The man who pulls the plow  
Gets the plunder."  
—HUEY P. LONG, 1934  
"To him who sells the Policy  
Goes ALL the gravy."  
—J. DeWITT MILLS, 1950

Good producers in small and medium size cities are making more money than ever before, by receiving a BIGGER SHARE of the premium under our new & unusual  
**DIRECT CONTRACT**

a complete line of

• Life • Hospitalization  
• Sickness • Accident

Opportunities in Indiana, Iowa,  
Kentucky, Missouri and Ohio.  
Write to me.

(Your reply is held in  
confidence)

J. DeWITT MILLS  
Superintendent of Agents

MUTUAL SAVINGS  
Life Insurance Company

812 Olive St. — Arcade Bldg. St. Louis 1, Mo.



## ACCIDENT AND HEALTH

### Zimmer Stresses Service in Cincinnati Address

"We are in a service business," Paul D. Zimmer, Columbus, told members of Cincinnati Assn. of A. & H. Underwriters at the November meeting. Mr. Zimmer, who is state manager in special group selling for Mutual Benefit H. & A., drew from his experiences in insurance selling to discuss "You and Your Business," as that subject relates to the agent with respect to his client in the matter of service.

"The most important factor in our business is that we do sell service," he said. "Go out and talk service. In my work, I talk to from 25 to 200 people in a group, and then I try to find out from the individuals how I can be of service. Once you establish a need for service, you can make your policies or sales plans become tools that will work for the client. We have the tools to offer—let's sharpen them and use them, because they are tools of service that guarantee dollars to the client, and to ourselves."

If a salesman quits or accepts defeat as a matter of course, he does not have enough faith in himself. Try to serve in a successful manner, he suggested. It is difficult for a client to be taken away from the agent when service is given.

### Standard of Oregon Enters A. & H. Field Under Scofield

Standard of Oregon has entered the A. & H. field and Ray Scofield will take charge of this development on Dec. 1. The company has not fully determined which policies will be offered, but plans to enter the medical, surgical and hospital expense field as well as the income replacement field.

Mr. Scofield has been in the business since 1914 when he started with Pacific Mutual Life at Chicago. He served in the navy in the first war and went to the home office of Pacific Mutual in 1920. He was with that company until 1940, when he joined Massachusetts Bonding & Los Angeles in charge of production, underwriting and claims work. He is past president of California State Assn. of A. & H. Insurance Managers Clubs, and a member of the California commissioner's advisory committee on A. & H. legislation and regulation.

### Amplify A. & H. Tax Rule

The liberalized income tax provisions of the 1951 revenue act making A. & H. and hospitalization insurance premiums fully deductible as medical expenses for income tax purposes for all persons age 65 or over applies to the taxpayer whose spouse reaches age 65 before the end of the year in addition to its application when the taxpayer himself attains that age. However, it does not apply to the money the taxpayer may spend on behalf of his dependents.

### A. & H. Men to Hear Aleshire

O. E. Aleshire of the Parker-Aleshire agency of Chicago, often referred to as the dean of the Chicago insurance business, will address the Nov. 20 meeting of Chicago A. & H. Assn. at the LaSalle hotel.

### Fort Wayne C.L.U. Elects

The Fort Wayne, Ind., C.L.U. chapter has elected Robert L. Rupp, president; George Carey, vice-president; Bernard Niezer, secretary.

### Form Quebec A. & H. Assn.: Hear Lafrance, Whitehead

The first formal meeting of the newly organized Quebec Assn. of A. & H. Underwriters was held at Montreal with Insurance Superintendents Lafrance of Quebec and Whitehead of Ontario as speakers. Organization work was started at a meeting of A. & H. people in September, at which a provisional committee of six was named to carry on the work. This committee, working in close contact with the International association and companies writing A. & H., has held a number of preliminary meetings to perfect the organization.

Both of the superintendents congratulated the association on bringing together the A. & H. field force to further the development and sale of this important line of insurance. Both stressed the importance of placing before the public sound contracts with broad coverage. They felt that the companies should return as much of the premium dollar to the public as possible.

It was mentioned that the government has been requested to enter this field and the speakers indicated that the one way private enterprise can prevent this is to offer more benefits and encour-

age the sale of this insurance on a professional and ethical basis. They offered their full cooperation and suggested that the life companies which are now entering the field be welcomed.

Officers will be elected at the December meeting.

### Columbian National Adds Medical Expense Benefits

Columbian National Life has added a dependency accident medical expense benefit to individual accident policies with the medical expense features. Blanket expense is provided up to \$1,000, \$1,500 and \$2,000, and may be added for wife only, for wife and children, or for children only. Children are covered to their 18th birthday.

Hospital confinement is not required. Benefits include doctor, surgeon, nurse, X-ray and hospital expense. The coverage may be used as a supplement to associated hospital or other accident expense protection.

### Sales Course at Cleveland

Cleveland Assn. of A. & H. Underwriters will be one of the first local associations to conduct the disability insurance sales course sponsored by the International association. It plans to put on a 12-week course beginning Jan. 8 at Fenn College. W. S. Steiger, manager

of Massachusetts Indemnity, who is chairman of the educational committee, will conduct the course.

Mr. Steiger, in addition to his insurance experience, formerly was a professor at Ohio State University.

### Applies for New York Entry

Provident Life & Casualty, which was formed as a wholly owned subsidiary of Provident Life & Accident, starts out with capital of \$350,000. It is a Tennessee corporation and application is being made for admission to New York. The new company has the same directorate and management as the parent company.

### Seeks W. Va. Code Revision

Commissioner Crichton of West Virginia has proposed a general revision of insurance laws by the 1953 legislature.

In his report to the governor, Mr. Crichton said that the revision would make necessary "a specific appropriation for an interim study."

### Darr Des Moines Speaker

At the November meeting of the Des Moines C.L.U. chapter, J. Reuben Darr, Bankers Security Life, discussed "Government Insurance As It Was—As It Is—Servicemen's Indemnity." He was former director of insurance for veterans administration in Iowa.

## A good line means bigger gains for PROVIDENT LIFE PRODUCERS



THE MEN IN THE FIELD who carry the ball for the Provident make bigger gains--and make them more consistently--using the Provident's line of modern life coverages . . . And production goals are reached more easily with the home office cooperation in the form of sales aids, training programs, etc.

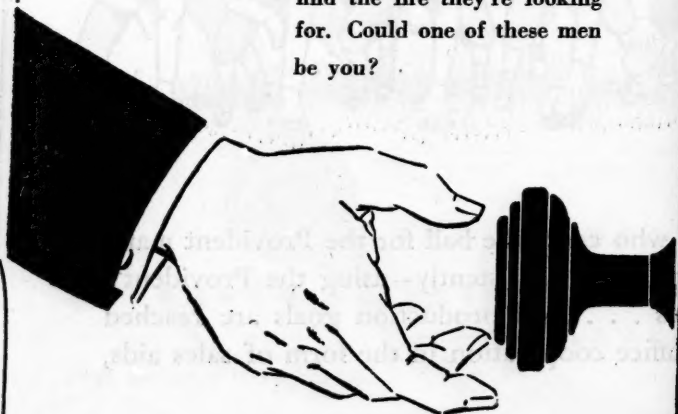
THIS LINE OF Provident life coverages also means a liberal scale of first-year commissions, nine renewals, service fees, a non-contributory pension plan, and a persistency bonus.

**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**  
CHATTANOOGA

*protecting provident people since 1887*



This ad . . . may be the "door" through which some men will find the life they're looking for. Could one of these men be you?



If you want to team up with a "live wire" organization . . . if you want to join a company that's going places . . . a company that's large enough to be proud of—yet not so large that you're lost in the shuffle, then perhaps the Wisconsin National Life is the place for you. You'll like our Retirement Income pension plan, our group life insurance plan for agents, and attractive contracts with liberal renewals and lifetime service fees and a steady flow of field tested sales tools. Write our Agency Director, Wm. J. W. Merritt.

**WISCONSIN NATIONAL LIFE INSURANCE COMPANY**  
HOME OFFICE: Oshkosh, Wisconsin  
General Agency Openings in Wisconsin, Michigan, Illinois, Indiana and Minnesota.  
First Legal Reserve Stock Life Insurance Company incorporated in Wisconsin

## LIFE AGENCY CHANGES

### Wilson Named Pasadena General Agent for Standard

Richard Wilson has been appointed Pasadena general agent for Standard of Oregon. He has been for the past year associate general agent with the Ron Stever agency of Equitable Society. He entered the life business in 1945 as a San Francisco agent for an eastern company. He has done field supervisory work in Rochester, Washington, D. C., Milwaukee, Oklahoma City and Houston. He has also been with the legal department of Metro-Goldwyn-Mayer.

Mr. Wilson is a graduate of the University of Oklahoma law school and a navy veteran of the second war. A new Standard agency is being established at Pasadena.



Richard Wilson

### Gorrie Heads Portland, Me. Agency of Paul Revere

Robert T. Gorrie has been named general agent of Massachusetts Protective Association and Paul Revere Life at Portland, Me. He succeeds Earl W. Albee who has resigned to devote full time to personal production.

Mr. Gorrie had been assistant director of agencies of Union Mutual, and prior to his home office assignment had been a leading producer for the home office agency of the Maine company.

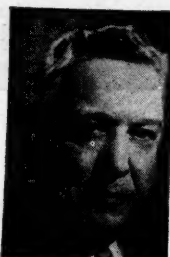
He attended Northeastern University and graduated from Babson Institute. During the second war he served as a special agent in military intelligence. He is active in the Life Underwriters Association of Southern Maine.



Robert T. Gorrie

### Walter Named Life Manager of W. A. Alexander Agency

Harry G. Walter has been appointed life manager in the W. A. Alexander agency of Penn Mutual at Chicago. He has been with the Alexander agency since 1947 and with Penn Mutual for 24 years, and has a record of success as a trainer of salesmen and teacher of life insurance.



Harry G. Walter

Mr. Walter is a past president of both the Chicago and Peoria C.L.U. chapters, past president of the Life Supervisors Club of Chicago, and a past president of the general agents and managers division of the Peoria association.

He is well known in Chicago insurance circles, has been a favorite speaker at sales congresses, and is in demand as a teacher in life insurance training courses.

He will continue as a member of the Alexander agency sales committee and will have increased responsibilities for recruiting and training new agents, as well as supervision of the existing sales force.

### Manufacturers Ups Perinet

Manufacturers Life has appointed L. Phillip Perinet as Quebec City manager. He succeeds Andre Chaunette, who is returning to personal production. Mr. Perinet entered the business at Quebec with Manufacturers in 1929.

### Wagner Named Assistant

Jules Wagner has been appointed assistant manager of Prudential's Stuyvesant agency in New York City. He has been with Prudential since 1948 when he gave up a law practice at Elizabeth, N. J. He attended Washington & Lee University and received his law degree from Rutgers in 1940. He is a member of the New Jersey bar and a veteran of the second war.

### Hulbert Aid to Shepherd

Dayton D. Hulbert has been appointed assistant manager of the recently established Richmond agency of Union Central, of which F. D. Shepherd is manager. He joined the agency last March. Before that he was coordinator of adult education for the Richmond Area University Center.

### Olinger to Milwaukee Post

Gordon Olinger, since 1947 a leading producer of Connecticut General at Denver, has been appointed assistant manager at Milwaukee. Jack C. Windsor is Milwaukee manager.

## WEST COAST OPPORTUNITIES

### LONG BEACH

Population: 243,921

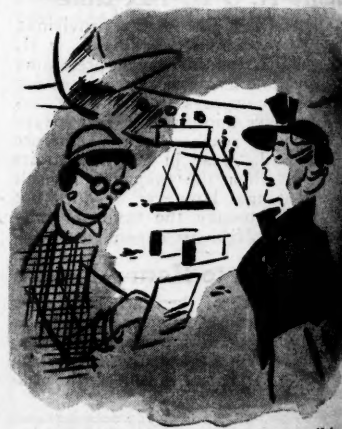
Growth 48%—10 years

This enterprising city offers unusual opportunities for agency builders to grow with West Coast Life.

Write for particulars.

**West Coast Life**  
INSURANCE COMPANY

SAN FRANCISCO



"... and be sure to tell the girls, I'll be at the Lord Baltimore Hotel two days before our executive meeting in Baltimore."



## Davies Heads New Agency on L. I. for Penn Mutual

Penn Mutual has established a new general agency for Long Island, N. Y., and has appointed Irvin A. Davies general agent. He has been with Penn Mutual since 1944, and for the past several years has served as district manager. He has also been with New York Title & Mortgage Co., Bond & Mortgage Corp. and Prudential.



I. A. Davies

He is a member of the American Society of Safety Engineers and the New York City association Long Island branch. On Long Island he has been active in community and civic affairs.

The new agency will be located at 5 Center street, Hempstead, L. I.

## Opens New Billings Agency

Pacific Mutual has opened a new general agency at Billings, Mont. Harry F. Kitsmiller, named general agent, has been prominent in life insurance activities at St. Louis and more lately at Denver, where he was general agent for Columbian National.

## Bourne Takes Norfolk Post

H. Gayle Bourne has been named to head the Norfolk branch of Prudential's Richmond, Va., agency. He succeeds A. A. Carmey, recently transferred to Savannah, Ga. Mr. Bourne started with Prudential in 1948 at Staunton, Va.

## Mott to National of Iowa

Milford B. Mott has been appointed supervisor of Iowa agencies for National Life of Des Moines. He has been with Equitable Life of Iowa at Morgantown, W. Va., for three years.

## Pacific Mutual Names Whaley

Pacific Mutual Life has named Frank W. Whaley, Jr., general agent at Minneapolis. Mr. Whaley was formerly assistant state manager there for Reliance Life.

## Names Tingey at Provo

Northwestern Mutual Life has appointed Bryant G. Tingey district manager at Provo, Utah. Mr. Tingey was formerly with Metropolitan there for eight years.

## Abram G. Joseph Retires

Abram G. Joseph, formerly an agency manager for Home Life in New York City, was honored by the company on his retirement. Mr. Joseph will

continue in personal production for the company. Mr. Joseph started in the business with Mutual Life at the age of 14. He joined Home Life in 1929 and became manager of his own agency the next year. Mr. Joseph comes from a life insurance family. His father and four brothers were insurance men. His wife, Mrs. Lillian Joseph, is Home Life's leading woman agent.

## Amicable Life Appoints Kelley

Amicable Life has appointed V. W. Kelley district manager at San Angelo, Tex. For the past five years, Mr. Kelley represented the company at Abilene.

Fred A. Young, for three years with the Bruce Gilmore agency of Northwestern Mutual at Grand Rapids, Mich., has joined the Willard L. Momsen agency at Milwaukee. He is a specialist in estate planning and taxation.

Union Life of Virginia has appointed Wallace M. Elliott manager at Roanoke to succeed R. H. Helms, who was named special representative at Luray. Mr. Elliott was formerly manager at Staunton.

## POLICIES

### Summary of New Policy Changes

Here are some recent changes in policy treatment not previously reported:

**Confederation Life** has reduced its premium rates for juvenile.

**Continental American** is now issuing waiver of premium disability from age 10 rather than from age 15.

**Federal Life of Chicago** has revised its non-medical limits as follows: Ages 0-14, \$4,000; ages 15-40, \$5,000; ages 41-45, \$2,500; additional \$2,500 after one year on males ages 15-35.

**Guarantee Mutual** will now consider up to \$7,500 non-medical insurance for males ages 5 to 35.

**Knights Life** has increased its non-medical limits from \$1,500 to \$2,500. Retention limits have been increased from \$10,000 to \$15,000.

**National Guardian** has revised its non-medical limits as follows: Age 0, \$2,500; ages 1 to 9, \$5,000; ages 10 to 35, \$7,500 (married women \$5,000); ages 36-40, \$3,500 (married women \$2,500); ages 41-45, \$1,500 (married women \$1,000).

**National L. & A.** has increased its non-medical limits: Males and unmarried females, ages 0-4, \$2,000; ages 5-9, \$5,000; ages 10-35, \$7,500; ages 36-40, \$4,000; ages 41-45, \$2,500; married women widows and divorcees, ages through 45, \$2,500.

**New England Mutual** has increased its maximum retention limits from \$150,000 to \$250,000.

**Paul Revere** has increased its maximum retention limit from \$30,000 to \$50,000.

## Aetna to Continue Scale

Dividends to participating policyholders in 1952 will be continued at the present scale, Aetna Life has announced. Interest on proceeds of policies left with the company and on dividend accumulations will continue at 2 3/4%, except where a higher rate is guaranteed.

In the non-par department, the interest to be paid on funds held by the company will also be 2 3/4%, except where a higher rate is guaranteed.

As the result of a survey of the tuna fishing business by Glenn Gregg, assistant manager of the underwriting department, Occidental Life of California now is offering standard life rates to tuna fishermen working on boats of 85 feet or better.

## Radar... Crystal ball... or HUMAN FORESIGHT



**H**AVE you ever considered what *could happen* were your local retailer *less* than a good businessman?

Piles of unwanted merchandise would load his shelves... your needs and desires would be unfilled... your family would suffer hardships. These things *don't happen* because your retailer soundly anticipates your future needs and desires so that you may buy *what you want when you want it*.

Our hats are off to this man whose insight into tomorrow's needs makes the American distribution system a smoothly clicking process.

### THIS MAN ALSO PREDICTS THE FUTURE

Like the retailer, the Mutual Benefit Life man predicts fu-

ture *financial* needs with his Analograph. And then recommends the *right plan* because he has many from which to choose.

The Mutual Benefit Life man's service to retailers, for example, is all inclusive. Not only does he offer a sound plan for their personal security, but he also has a plan for their business security. Called the Special Business Insurance Plan, it enables the retailer... large or small... to protect the future of his business.

### PROUD OF HIS ROLE

The Mutual Benefit Life man is rightly proud of the part he plays in the personal and business lives of so many. He is well-equipped to do an outstanding job... and he does it.

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# Sales Ideas and Suggestions

## Forum Features New Ideas on Buy and Sell Agreements

Discussion of the latest developments in business insurance particularly those concerning buy-and-sell agreements, featured the ninth annual forum of the Solomon Huber Agency of Mutual Benefit Life in New York City. More than 350 lawyers, accountants and trust officers attended the afternoon session which

concluded with a banquet.

More emphasis should be placed on the need for permanent disability coverage in business insurance said Alfred Mannheimer, New York attorney, because, to all intents and purposes, especially in professional and service ventures, the disabled individual is the same

as dead while he is unable to work. Yet, he said, most buy-out agreements, while carefully providing for death, blithely ignore the highly, if not equally important contingency of permanent disability. He said it would be advantageous to all concerned if the individual were bought out when he became permanently disabled, the payments for his interest to continue periodically throughout the balance of his life, or at any rate, for a good part of it. This could be accomplished, he recommended, by a buy-out agreement funded so far as the lifetime payments are concerned, either by income disability or by non-cancellable health insurance.

The suggestion holds good also for stock retirement, he contended. Both on principle, and under the Emeloid case, he believes that the premiums paid for the income disability or the non-cancellable health insurance would not be a taxable dividend.

### Dangerous Type Agreements

The danger in setting up a survivorship type buy-and-sell agreement which provides that the interest of the deceased partners shall vest in and become the property of the surviving partners, either automatically upon death or upon the payment of a stated amount for the deceased partner's interest, were discussed by Dr. Edwin H. White, director of R. & R.'s advanced underwriting division. He said that the provision for the transfer of the deceased partner's interest to the surviving partners by the terms of the agreement itself, rather than requiring the transfer of the interest by the deceased partner's personal representative, has raised a question as to whether the survivorship type agreement is invalid because it is testamentary in character and not executed as a will in conformity with the law. This problem doesn't come up under the usual type agreement where each partner agrees that if he is the first to die his estate will sell to his surviving partners his partnership interest at the price and terms stipulated, and each agrees that if he survives he will purchase his share of the interest of the deceased partner. He explained that where the survivorship type of agreement becomes almost a substitute for a will in such a manner as to defeat the rights of a surviving spouse under the decedent estate law it will be declared invalid.

### Insurance Funding Best

Life insurance is often the most economical means of supplementing the intention of the parties to the buy-and-sell agreement, said P. Philip Lacovara, legal editor of Trusts & Estates magazine. It can be used in two ways, he explained. Where continuation of the decedent's interest in the partnership earnings is undesirable, the amount can be estimated and the proceeds be made payable to the widow or other beneficiary. Of course, the postmortem profits will be taxable in their entirety to the survivors. However, profits retained by them and not shared with the estate. The tax advantage to the survivors under a purchase agreement might be outweighed by the tax benefit to the widow of receiving installment payments, these being tax free to her. Apart from tax considerations, this plan possesses the feature of not requiring disclosure of business matters to the widow, one of the standard advantages offered in support of buy-and-sell agreements generally.

"The second use of insurance presupposes the plan whereby the estate of the deceased partner continues to share in the after death profits. Under this arrangement the insurance is taken out on each partner's life in an amount calculated to reimburse the survivors for the amount they will be obliged to pay

the estate. Thus, if a five man partnership is expected to earn \$50,000 a year, a sum calculated on the basis of recent history—discounted by the amount likely to be lost due to the partner's death—and the agreement calls for three years of payments, there will be an obligation of \$30,000 to be met. To this should be added a figure representing the value of the other items—capital assets, accounts receivable, and unfinished business."

### POLICY OWNERSHIP

The remaining significant question, he said, is the ownership of the policies. He pointed out that for the past ten years it has been generally accepted that each partner should own and pay for the insurance on the other partners lives. The major reason for this has been the estate tax advantage of excluding the proceeds from the insured decedent's estate. It has also been encouraged by the Legallet decision. As a result of that decision the use of the partnership as the premium paying entity was practically abandoned. But, he maintained, many of the arguments in favor of cross ownership and against the use of partnership ownership have been overemphasized and, in particular, "they lose much of their cogency in the case of professional or other personal service partnership where capital assets or inventory are relatively insignificant."

The most forceful reasons for the partnership method are its convenience and practicality. There is no disputing that cross ownership is the ideal design for the two or three man partnership but, on the other hand, it can become most involved and cumbersome in a multiple partnership such as a law or accounting firm is likely to be. He explained that if there are six members of the firm cross ownership may mean a total of thirty policies if each man must buy insurance on the lives of the other five. A similar number would need to be issued every time an increase in insurance was required. A reduction in the value of the partnership would require dividing the policies, meaning perhaps that some of the policies would have to be retained as personal insurance. Further complications would arise, he said, with respect to the policies owned by the deceased on the other five lives; because of the income tax liability that might accrue on policies assigned to anyone other than the assured, assignments would have to be made to the respective insured and new policies issued to the surviving partners. While these difficulties are not stressed at the time the proposal is made, he said, they will rise to plague the parties when the first change or death sets the plan in motion. Psychologically and public relations wise, the results can be unhappy, he said.

### Likes Entity Approach

Other advantages for this "entity" approach have varying degrees of merit, said Mr. Lacovara. "The partnership is the logical owner of the insurance as it is for the benefit of the business at least as much as for the individual members and therefore ought to be a business item, notwithstanding that the premiums are not deductible. Any disparity in premiums due to age differentials can be subordinated in the general pool. Again there is greater facility in employing the settlement options because the payments can begin promptly at death rather than being delayed until the survivors have the opportunity to pay for the decedent's interest out of the proceeds."

He said he believed that much of the fear of the Legallet case could be dispelled, especially in the professional or service type partnership. In his judgment the principle of the Legallet case will be applied only where each insured

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pays for the insurance on his own life. Secondly, in the personal service partnership, the bulk of the insurance will presumably be designed to fund the share of future earnings and no question of cost basis will be involved. Moreover, he said, even with respect to such capital assets as may be concerned in the transfer the question may be postponed indefinitely because the cases hold that there is no change in the cost basis of partnership assets so long as the partnership continues. And, in a multiple member firm, which he assumed as an example, the ultimate termination of the partnership would probably be a long way off.

Mr. Huber discussed the psychological values accompanying life insurance funding of the buy-and-sell agreement, emphasizing the emotional security it provides; for example, the business man knows exactly where his business is going at his death.

Other lecturers and discussion leaders included Laurence J. Ackerman, dean of the college of business administration at the University of Connecticut; William J. Casey, associate of Business Reports, Inc.; John J. Magovern, counsel, Mutual Benefit Life; Stuart A. Monroe, associate general agent of the Huber Agency; and Henry C. Smith, Bernard Speisman, David Stock, William C. Warren, and Milton Young, New York attorneys.

## Cleeton Again Raps Section 213

(CONTINUED FROM PAGE 3)

when we give a man a contract, we not only appoint him as an agent, but we also appoint him as a good-will ambassador for the entire institution of life insurance."

Mr. Cleeton spoke out, too, against government in business, saying N.A.L.U. believes the men in the military forces are entitled to an equitable amount of gratuitous indemnity. "And we uphold the principle of gratuitous indemnity as strongly as we oppose any return to the operation of what is in effect life insurance run by the government, whether under the name of National Service Life insurance or in such guise as that of the proposed servicemen's benefits, financed or purportedly so by contributions made by the individual," he added.

## MASS SELLING

Mr. Cleeton warned against distortion of the recognized principles of group insurance, saying, "N.A.L.U. has no quarrel with what has been called 'mass selling' as such. But, obviously, N.A.L.U. believes in the distribution of sound life insurance by sound and competent individual life underwriters, whose counsel and service constitute a major benefit to the buyer, individually and collectively." Social security should not go beyond the subsistence level, he said, although N.A.L.U. is for bringing as many persons as possible under the social security system.

Part-time agents, even in rural areas, have no place in the life insurance business, Mr. Cleeton declared.

## No Need for Part-Timers

"In these days of good roads and rapid transportation all men can be served by our agents who make their livelihood from the sale of insurance," he said. "There is no need for the part-timer, whether he be banker or butcher, and his continued blood-sucking on the pocketbooks of our valued agency men is a disgrace to our business that should be driven out. One of the greatest boosts to the morale of our agents our companies could give would be a flat statement which said: 'Only people whose first line occupation is selling insurance can sell our merchandise.' That, gentlemen, would bring us a lot closer to Utopia. And quick!"

Mr. Cleeton urged an end of differences of opinion between home office

and field, saying that many times a complete divergence of understanding exists largely because of a difference in emotional reaction. Though salesmen are emotional optimists they still have the feel of the public pulse and "many times confidence displayed in us by taking our pulse is the surest and quickest way to take the pulse of the public."

Mr. Cleeton urged all home office agency men to encourage wherever possible all their men to take an active part in N.A.L.U. affairs.

## Study Reduction of Agent Turnover

(CONTINUED FROM PAGE 3)

tion of meeting their manpower problem, either in amount of recruiting or reduction of turnover. This may be because advanced age, preoccupation with personal production, outside interests, or because of liquidating their equities under a general agency contract. Nothing can be done with such managers in their present frame of mind but they are in a minority.

## Some Don't Know How

There are managers who don't know how to proceed. They want to meet their obligations but are either new at their jobs or are using unproductive methods.

Some managers do good recruiting and selecting but fall down because of other deficiencies—perhaps in training, often in supervision. Sometimes these managers simply don't wear well with their men.

Then there are those who just don't do as well as they know how. These managers need supervision to keep them on the track.

If a company is to meet the needs of its managers there must be some form of adequate management training, said Mr. Weidenborner. It must cover all phases of management, for if it is on selection alone, for example, "we are clearly asking for trouble from those whose turnover problem is caused by failure in the later phases of managing men."

## "Reason or Rationalization?"

Some may say that management training means stifling of individual initiative, Mr. Weidenborner conceded, but asked whether this was a real reason or a rationalization. There is more similarity than difference between management training problems and the formerly undeveloped agent training problem, he said. He said this kind of management training would not be needed if all managers were as good as the top 25% but this was also true of the agents.

Since not enough new agents of such strength could be found, the companies added agent training, and the same thing goes for management training, he indicated.

"We will never eliminate turnover, just as we will never eliminate lapses, but perhaps we can, in the next 10 years, make real progress in reducing it to manageable proportions," he said.

## Mead Talk Canceled

Federal Trade Commission Chairman Mead has canceled his engagement to address the New York insurance brokers meeting this week. He has gone on three weeks' leave.

As Mead has been expected to take the initiative in arranging the next FTC conference with National Assn. of Insurance Commissioners liaison committee, that meeting will be delayed until next month and, owing to the coming holiday season, perhaps until next year.

## Agency Sets October Record

The White & Odell agency of Northwestern National at Minneapolis reports October business the largest for that month in its history, with \$3,784,000 in new business written, 29% over any previous October.

## State Life Is on the March . . . With Gains in Production

The growing Field Force of The State Life of Indiana is scoring substantial production gains over last year. And, there are reasons!

- ★ A broad-vision agency development program under progressive leadership.
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**F**AMED FOR WORLD-WIDE SERVICE from branches located in more than 20 countries, including 50 offices in the United States, the SUN LIFE ASSURANCE COMPANY OF CANADA has won universal recognition for the diversity of its comprehensive life insurance and annuity plans. The specific needs of men, women and children under widely differing circumstances are taken care of, and a variety of optional policy privileges offers valuable alternatives to safeguard the interests of the beneficiary.

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## No "Fringe" OK's Before Jan. 1

(CONTINUED FROM PAGE 1)

internal revenue approved plans as being "accepted industrial practice," said Mr. Thoré. "In the absence of such board approval, a pension plan which conforms to a bureau approved plan of a major industry would require board consideration."

"This means that during the initial stage it would be necessary to submit practically all pension plans for approval. Gradually the board would approve certain existing plans as 'accepted industrial practice' and would also adopt certain vesting provisions as 'accepted industrial practice.'"

Mr. Thoré gave his talk at the meeting of the committee on cooperation with other organizations. Attendance at this meeting was so heavy that the meeting had to be shifted from its original locale to the ballroom.

### SOCIAL SECURITY

Discussing social security coverage for life agents, Mr. Thoré said it is not expected that more definitive regulations will be issued by the internal revenue bureau as to what agents' earnings are subject to social security tax. While more specific regulations might solve some problems, "undoubtedly they would create many additional ones."

Mr. Thoré said there are troublesome questions involving agents doing both life and A. & H. business. The congressional reports and the regulations don't deal with these questions directly. Under basic tests, the agent must devote his time principally to soliciting life insurance or annuities. Assuming these tests are met, the question arises as to whether the commission on A. & H. business should be included in computing the tax. A strict construction of the regulation leads to the conclusion that only the life insurance and annuity commissions are taxable and those on A. & H. are reportable by the agent as self-employed income, said Mr. Thoré.

### Qualification of Pensions

General agents and agents not qualifying under social security as full-time life insurance salesmen are still subject to having the company's contribution to their pension regarded as income in the year of vesting, and there appears to be no possibility of getting an amendment that will correct this, said Mr. Thoré. If Congress should make these independent contractors employees for social security purposes, it would probably extend the 1951 amendment to the

revenue act to permit qualification of their pension plans but if this legislative approach gets nowhere it appears that pension plans applicable to these contractors will have to be modified so as to meet recent rulings of the internal revenue bureau taxing company contributions as income in the year of retirement. It has been suggested, he said, that this result would be avoided if such plans were of the non-vested type, with payments of retirement income being subject to a large measure of company discretion.

Mr. Thoré summarized the attitude of the bureau of internal revenue on payment of social security taxes on renewal commissions. He emphasized that he was referring to social security taxes and the benefit provisions of the social security law but said that the rulings on taxes have a direct bearing on some of the benefit questions.

### SS Taxes on Renewals

He said the rulings could be best summarized by supplying answers to the following questions from the conclusions set forth in the several rulings. These questions and answers are:

What is the tax status of renewal commissions paid under a life insurance agency contract under each of the following circumstances?

I. Renewal commissions paid while the agent is a full-time salesman of the company, or its general agent, assuming that the policy was placed while the agent was a full-time salesman and prior to Jan. 1, 1951 (effective date of the amendment).

Answer: In general, the bureau has ruled that renewal commissions are attributable to services performed in the year in which the policy was placed. However, if the agency contract specifically requires as a condition to the payment of the renewal, the performance of a contractual obligation in a later year the renewal commission is considered attributable to service performed in the year in which the contractual obligation is fulfilled. Under the general rule, renewal commissions on policies placed prior to Jan. 1, 1951, but payable after such date, are not taxable as wages. If the contract requires services to be performed after Jan. 1, 1951 as a condition to the payment of the renewal thereafter, such renewal commissions are taxable as wages. Two examples are given in the rulings of contract service requirements which satisfy the foregoing exception: (a.) A contract provision that certain production requirements be met as a condition to the payment of renewals; (b.) a contract requirement that the agent present evidence that he rendered services in connection with the renewal commission.

II. Renewal commissions paid while the agent is a full-time salesman of the company, or its general agent, assuming that the policy was placed while he was a full-time salesman but after Jan. 1, 1951.

Answer: Under the general rule explained above, all renewal commissions on such a policy would be taxable to the



H. P. Anderson, Life of Virginia; Lewis W. S. Chapman, L.I.A.M.A.; and W. Rankin Furey, Berkshire Life, look over the brochure issued in tribute to the late John Marshall Holcombe, Jr., during the L.I.A.M.A. meeting at Chicago.



company on the theory that the service was performed when the policy was placed. Subsequent termination of the full-time salesman relationship would not change this result. Under the exception to the general rule (a contract provision requiring performance of some act as a condition to the payment of the renewal), the tax would be payable by the company on the renewals only so long as the agent continued under contract with the company as a full-time salesman.

III. Renewal commissions paid after the agent has reached age 65 and is no longer a full-time life insurance salesman, assuming that he was a full-time salesman when the policies were issued, whether before or after Jan. 1, 1951.

Answer: If the policy was placed before Jan. 1, 1951, such renewals would not be taxable as wages, because the service in placing the policy was performed before the agent was covered. If the policy was placed after Jan. 1, 1951, the renewal commission would be taxable as wages, because all of the service

was performed while the agent was a covered employee within the meaning of the social security act. In the latter instance, if there is no current service requirement, the renewal commissions would be taxable to the company; however, should there be a contractual requirement that the agent perform additional service currently in order to receive the renewal commission, such commission would then be taxable to the agents as self-employed income at the rate of 2 1/2% and the company would not pay tax thereon.

IV. Renewal commissions paid after the agent has died, assuming he was a full-time life insurance salesman when the policies were placed, whether before or after Jan. 1, 1951.

Answer: If the policy was placed before Jan. 1, 1951, there would be no tax on the renewal payable after death, because the service was performed while the agent was not covered. In the case of policies placed after Jan. 1, 1951, the tax would be payable by the company on renewals paid after his death.

## Men With Problems Jam L.I.A.M.A. Meet

(CONTINUED FROM PAGE 1)

Assn. of Life Underwriters is doing in getting under way in the new status acquired at the recent annual meeting of N.A.L.U. Mr. Campbell is chairman of the conference.

An unforgettable feature of the L.I.A.M.A. convention was the presentation at the fellowship luncheon Tuesday of this portrait of John Marshall Holcombe, Jr., who for many years prior to his death last May was managing director of L.I.A.M.A. The portrait, painted by Raymond P. R. Neilson, will hang in the L.I.A.M.A. office in Hartford. It was unveiled by Sam E. Miles, vice-president of Provident Life & Accident, immediate past president of L.I.A.M.A.

Vincent B. Coffin, senior vice-president of Connecticut Mutual, presided at the dedication of the portrait. Oliver Thurman, retired vice-president of Mutual Benefit Life, and first chairman of the Life Insurance Sales Research Bureau, predecessor of L.I.A.M.A., spoke on Mr. Holcombe's career.

### Tributes Paid to Holcombe's Work

All three speakers paid deep and sincere tribute to Mr. Holcombe's long and untiring work in behalf of L.I.A.M.A. and the cause of life insurance research and to his qualities as a friend.

Charles J. Zimmerman of L.I.A.M.A. accepted the portrait on behalf of the officers.

Following committee meetings all day Monday and Tuesday morning, the convention proper opened Tuesday with the fellowship luncheon.

That afternoon there were the annual report of Charles J. Zimmerman, managing director of L.I.A.M.A., the presidential address of Olen E. Anderson, vice-president of John Hancock and president of L.I.A.M.A.; and a talk by Paul Speicher, president of Insurance R. & R. Later there was a cocktail party at which Philip J. Weber, general manager of the Edgewater Beach hotel, was host.

The small companies' dinner that evening was addressed by Stewart MacPherson, of radio station WCCO, Minneapolis. Toastmaster was J. E. Scholfield, vice-president of North American Life & Casualty.

The general session Wednesday had Guilford Dudley, Jr., as presiding officer. He is executive vice-president of Life & Casualty and a director of L.I.A.M.A.

Clarence S. Madill of Toronto, president of Life Underwriters Assn. of Canada, brought greetings from that organization. Other speakers were Charles E. Cleeton, Occidental of California, Los Angeles, and president of National Assn. of Life Underwriters; S. Rains Wallace, Jr., director of research of L.I.A.M.A.; Frank F. Weidenborn, agency vice-president of Guardian Life, and Forrest J. Curry, general agent of Penn Mutual at San Francisco.

Clyde J. Summerhays, vice-president and director of agencies of Beneficial Life, and a director of L.I.A.M.A. presided at the general session Wednesday afternoon.

There was a panel on home office supervision in which the participants were R. R. Davenport, director of sales of Southwestern Life; Richard E. Pille, vice-president in charge of agencies of Mutual Benefit Life, and Gordon S. Woolsey, assistant superintendent of agencies of London Life.

The play "The Education of Richard Roe," written by L. C. Jones, director of insurance service research of Northwestern Mutual Life, was presented through the courtesy of that company.

The combination companies' dinner Wednesday evening had Russell C. Tomlinson, New England Mutual, Chicago, as the speaker. Toastmaster was W. J. Hamrick, Gulf Life, chairman of the combination companies committee.

### Forum on the Market Place

The final general session was Thursday morning and had as the presiding officer Russell J. Wood, assistant general manager of Imperial Life of Canada and a director of L.I.A.M.A. Opening speaker was Stanton G. Hale, vice-president and manager of agencies, Mutual Life. There followed a forum on "What's Happening in the Market Place?" the participants being Lewis W. S. Chapman, L.I.A.M.A. director of company relations, who acted as chairman; Richard C. Guest, vice-president of Massachusetts Mutual; W. R. Jenkins, vice-president of Northwestern National; J. G. Parker, president of Imperial Life of Canada; Stuart F. Smith, vice-president of Connecticut General; Travis T. Wallace, president Great American Reserve; and B. N. Woodson, managing director of National Assn. of Life Underwriters.

The final speaker was Bishop Wallace E. Conkling of the Episcopal diocese of Chicago.

Many of those attending the L.I.A.M.A. meeting stayed over for the second annual training conference Thursday afternoon and Friday morning. These sessions, which ran concurrently for ordinary companies and combination companies, will be reported in next week's issue.

### Blue Grass Moves Forward

Frederick W. Winkler has been elected general manager of the recently organized Blue Grass Life of Covington, Ky. He is also the president of the company. At the same meeting Thomas J. Downs, Lexington and Chicago attorney was seated as a director.

The board has instructed Mr. Winkler and Odus W. Bertelsman, company attorney, to file an application with the state department for a license to sell life insurance. This action was taken after it was reported that the \$250,000 with which the company was incorporated, had been subscribed and paid into the treasury.

Construction is in progress on a new \$60,000 office building in Memphis, Tenn., which will house the Jeff Gros agency of State Mutual Life.



"I've been reading these Bankers Life circulars you've been putting in the milk bottles . . . I'm ready to talk insurance!"

## Bankerslifemen Have Good Promotional Backing

Bankerslifemen have the backing of direct result-producing advertising and sales promotion materials which really work, although we frankly do not know of any being used as milk bottle stuffers.

These printed materials are integrated into an organized and comprehensive sales procedure so that the typical Bankerslifeman knows how to use them most effectively. That's another reason they work so well.

This effective organization of the typical Bankerslifeman makes him the kind of a life underwriter that you like to know as a friend, fellow worker or competitor.

**BANKERS Life COMPANY**  
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**KEEPING UP WITH THE JONESES?**



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## LIAMA to Step Up Information Service on New Developments, Says Zimmerman

One of the L.I.A.M.A.'s objectives for 1952 and succeeding years is to bring to agency officers more prompt, accurate, and frequent information regarding trends and developments within the business and outside it, said Managing Director Charles J. Zimmerman of L.I.A.M.A. at the association's annual meeting at the Edgewater Beach hotel, Chicago.



C. J. Zimmerman

Mr. Zimmerman said that at a board meeting scheduled for later this week the officers would make recommendations to implement this plan.

To function effectively, the agency officer must be aware of the implication of such trends as mass coverage, increasing volume of term insurance, the sale of A. & H. and disability by life insurance agents, specialization on vari-

ous forms, the brokerage business, fewer sales per agent per year and branch offices vs. general agencies, Mr. Zimmerman said.

He also mentioned the problems caused by inflation, such as the increase in agency costs, the question of whether agents' earnings have kept pace with the increased cost of living and with increased earnings in other lines of business, the problem of compensation of agents, general agents and managers and the question of public confidence and public acceptance of the life insurance principle of fixed dollars and fixed income.

In addition, he noted, there are such further problems as those arising out of competition from social security, unemployment compensation, workmen's compensation, off-the-job disability benefits, other forms of savings, and other forms of personal insurance. L.I.A.M.A. studies of trends in the expenditure of the security dollar in the last decade have grown much more rapidly than has life insurance.

### Shifting Markets

Mr. Zimmerman said that other problems arise from shifting markets. All companies have accepted the premise that life insurance must serve all segments of the population but the trend toward fewer applications indicates a less adequate job in this respect, he said. There must be further study of both the needs and desires of the public as regards life insurance. Much can be done to improve the service to the public and the policyholder. He said that when one company sells as little as 2% of its policies to its existing policyholders and another company sells 40% to its policyholders, as shown in the 1949 L.I.A.M.A. buyer study, "certainly we have reason to pause and to ponder," he said. He opined that policyholders' service has a strong influence on this percentage.

There must be a study of the public's desires as to premium payments. He noted that, unlike individual policies, government insurance (except NSLI) is on a contributory basis and second, the premium or tax dollar is taken at the source, that is, from the payroll. A third characteristic of government insurance is that it is compulsory.

Mr. Zimmerman mentioned also the problems created by a war economy, such as war clauses, manpower and the possibility of catastrophic losses through atomic weapons.



Here are some of the principal participants in the dedication ceremonies for the new home office building of United American Life at Denver. From the left are C. E. Lien, president of United American; Commissioner Sullivan of Kansas, president of N.A.I.C.; Holgar J. Johnson, president of Institute of Life Insurance, and G. A. L'Estrange, vice-president of United American. There were other dignitaries present at the dedication of the \$400,000 structure and Mr. Johnson and W. T. Grant, chairman of Business Men's Assurance, spoke at the banquet.

noted. It could very well mean the loss of a prospect. Unless the delay is beyond control of the underwriter, every policy should be issued, rejected or postponed within 24 hours after receipt of the application. "Request for additional information" is one of the biggest complaints of the agent. It endangers the sale when he must try to explain the delay, or why the prospect has to see the doctor again. While this is not a criticism of underwriting, Mr. Saitta said it does emphasize the difficulties created by underwriting.

The agent believes companies are denying protection to many for whom rates have been computed when he sees actual to expected mortality ratio in the neighborhood of 50%, and sometimes much lower, Mr. Saitta pointed out. The agent wants to understand the "why" of underwriting. He wants a clear explanation of the underwriter's duties and the factors of insurability. By writing more articles for company magazines and periodically visiting the field, Mr. Saitta thinks underwriters could do much to clear up the many misunderstandings which exist between them and the agent.

Dr. W. H. Scoins, chief medical director of Lincoln National Life, reviewed the history of blood pressure, mentioning that hypertension and other findings indicative of degenerative changes are becoming greater problems to the underwriter because of the continual increase in life expectancy.

He opined that underwriting disability insurance is a greater responsibility than underwriting life insurance because alleged morbidity rather than mortality is being underwritten. Many asymptomatic hypersensitives, he said, use this finding as tangible evidence of a totally disabling condition and readily assume the role of at least semi-invalids to obtain the support of their physicians, ultimately effecting successful claims. He indicated that perhaps the best index to a totally disabling condition as a result of hypertension, not relying on subjective symptoms, would include intractable cardiac decompensation, history of cerebral accident, renal insufficiency, coronary occlusion, mental confusion or serious psychological disturbance over a period of time. Without such complication, Dr. Scoins believes it would not be harmful and might be of benefit to the subject to continue his usual occupation.

Dr. Scoins said it must be kept in mind that blood pressure is not a disease, but a symptom which should act as a red flag to an underwriter. Through

proper classification, the underwriter should be acquainted both with the possible significance of the flag and what additional clinical studies would be of benefit. It has been his experience, he said, that if the underwriter tries long enough and hard enough, he can clear up most of the previously reported elevated blood pressures.

### Street Accidents in the Lead

Accidents on streets and highways and in other public places exact a higher toll of life in the United States than home and occupational accidents together. Among males, public accidents account for two-thirds of all accident fatalities, and among females, 55%, according to Metropolitan Life's mortality records for industrial policyholders during the period 1946-1951.

At school ages, accidents in public places account for 85% of all fatalities among boys and for 75% among girls. Motor vehicle mishaps arising out of or in the course of employment are not included in these figures.

James S. Knudson has been appointed manager of the policy department for National Bankers Life of Dallas. He has had considerable background in the insurance field, joining National Bankers after 17 years of previous insurance experience.

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## IHOU Members Debate Selection

(CONTINUED FROM PAGE 6)

quickly depreciates to zero in about five years. While he knows that proper selection must save the company many early death claims, he nevertheless sees too many rejections walking the streets in apparent good health years later. He has heard a great deal about success of non-medical insurance with its favorable mortality experience and wonders why it cannot be extended.

### Confused by War Clause Thinking

According to Mr. Saitta, the agent doesn't understand the need for rushing a war clause into a policy at the first suggestion of a national emergency, while millions of other policies on the lives of servicemen do not contain them. Because he is told that underwriting is pretty much of an exact science, he can't see why companies themselves have such different points of view on war risks. He believes that if war clauses so importantly affect mortality, they should be automatically included in all policies.

Delay in issuing a policy is the agent's biggest "gripe," Mr. Saitta

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# CALIFORNIA MANAGERS CONFERENCE

## Better Selling of Business Needed to Spur College Recruiting, Educator Says

Although most college students no longer view life insurance as the "haver" for failures, neither do they believe it offers as much security as other businesses, Royal A. Roberts, professor of marketing and business at the University of California, stated at the annual Agency Management Conference of Northern California at Berkeley. Sponsored by San Francisco General Agents & Managers Assn., the meeting attracted about 250 persons. David S. Kamp, New England Mutual Life, association president, presided.

Mr. Roberts, who has had life insurance experience and is a sales consultant for several large corporations, urged that the business organize to bring to the attention of students some of the advantages of insurance. All lines of business seeking college graduates as employees are competing with the government, he observed. Students look toward government jobs for security, even sometimes at lower salaries. Students, according to the speaker, are "baby-minded, home ownership-minded, garden-minded, family-minded and don't want to travel."

### Up to Business to Convince Them

It is up to the business to convince them that life insurance offers the security they put above all else, Mr. Roberts opined. He advised sending representatives to colleges to outline insurance ethics, economics and services. Mr. Roberts said this has been done at his school with excellent results.

A panel, conducted by J. Denny Nelson, Aetna Life, San Francisco, considered a variety of interesting topics. Participants were Mr. Kamp, Hugh W. Davy, Home Life, San Francisco; Justin F. Simon, Cal-Western States Life,

Fresno, and Frank Dedman, New England Mutual Life, Oakland.

When asked how present men were recruited, Mr. Davy said he obtained most of his through employment agencies with which he has an understanding that he is interested in employed men who are "economically disturbed." Mr. Dedman also contacts prospective agents through staff members and outside acquaintances, concentrating on men who occupied sales positions. He knows each prospect at least six months before he broaches the subject seriously. Most of Mr. Simon's recruits have resulted from his personal effort and nominations by friends.

Mr. Kamp said he owes his men to the complete cooperation on the part of his agency members. These men, he said, are imbued with the idea that they have a part in building the agency and that while selling they should keep their eyes open. After a prospect is introduced, Mr. Kamp spends about six months getting thoroughly acquainted with him and his wife, and, if found satisfactory, then approaches him about becoming an agent. Before signing, however, the prospect must be "approved" by other agency members.

All on the panel said they give aptitude tests, most requiring "A" results, but Mr. Simon remarked he has had success with men who made only a "B" grade. Such men, he observed, often are more anxious to learn, easier to train and "keep on the track."

The importance of being acquainted with the wife got considerable going over, with unanimous agreement that much of the agent's success hinges on her. Wives have the natural aversion to long hours and night work, but make proper adjustment if told that these are

what pay off for the agent. Mr. Dedman said that when a man appears headed for failure he keeps in contact with the wife, talking over the situation when the husband isn't around. He found this has saved several men.

Opinions conflicted as to the "length of residence" a prospective agent should have. A three to five-year residence was favored by some, while others believed that none at all is necessary.

Considerable interest was shown in financing of agents, a practice which all participants follow. Mr. Davy advocates hiring a few good men at high salaries rather than several men at lower levels. Mr. Dedman bases his financing on family needs and it averages about \$360 a month. The average age of the panel members' agents was from 31 to 35, and financing ranged from \$300 to \$450 a month. Mr. Kamp warned against letting a man get in too deep. When that occurs, he takes the agent off a flat basis, giving him \$12.50 a \$1,000 of written business. Mr. Davy expects production of \$300,000 the first year, and the agent is released if he becomes more than three months in arrears. He believes the agent should be self-supporting at the end of the third year.

Jack Rowe, Bankers Life of Iowa, San Francisco, discussed agency development in rural areas, mentioning that

most of his recruiting activities are based on letters to policyholders, presidents of chambers of commerce and school principals. Paul Demeter, Northwestern Mutual, Oakland, outlined metropolitan agency development. He emphasized the importance of morale-building special events and varied activities on the part of the agency to increase the cooperation and enthusiasm of the producers.

The meeting closed with a reception and cocktail hour with Harry J. Stewart, president of West Coast Life, as host. This has become a custom for these affairs. William L. Hardy, agency superintendent of West Coast, was toastmaster at the luncheon.

## D. C. Commission Decision Turns on "Rejected Risk"

Municipal court for the District of Columbia recently decided in the case of Bell vs. Inter-Ocean and others, that a life insurance agent, Mr. Bell, who had sued for commissions for the sale of a group health policy, was not entitled to these commissions, because he had not been licensed by the group writing company. Mr. Bell in September, 1950, was an agent of New York Life and submitted data to his company for issuance of a group health policy. His

## EVERYONE'S TALKING!



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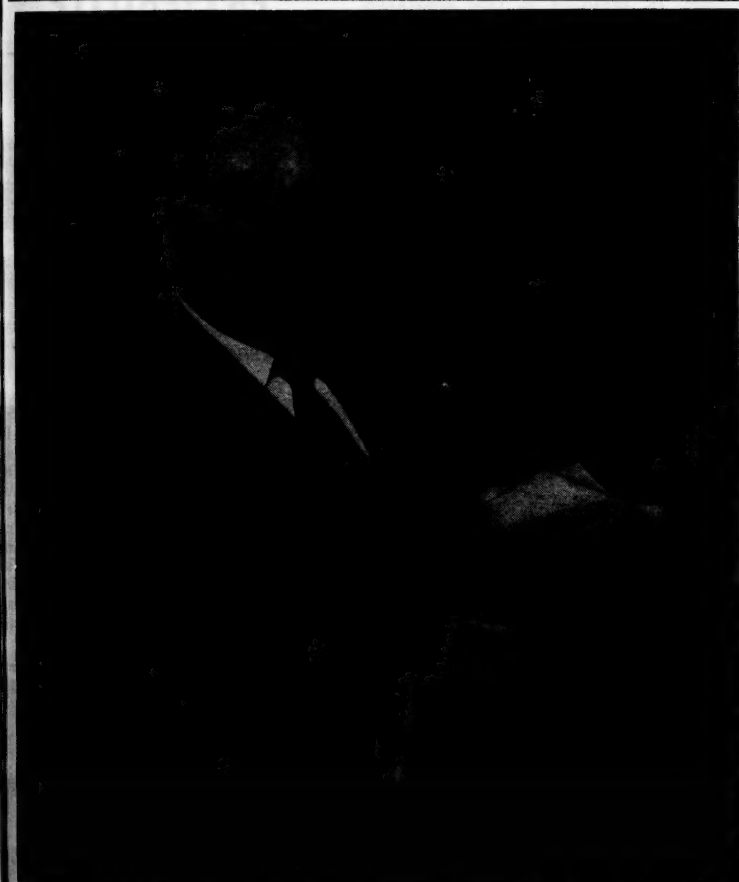
We are talking about further expansion.

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Over Eight Hundred Million in force in our 51st year

Licensed in: Alaska, Arizona, California, District of Columbia, Hawaii, Idaho, Indiana, Louisiana, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Puerto Rico, Texas, Virgin Islands, Washington.



Portrait of John Marshall Holcombe, Jr., late managing director of L.I.A.M.A., which was dedicated at the fellowship luncheon during the annual meeting of L.I.A.M.A. at Chicago. It was painted by Raymond P. R. Nielson, and presented to L.I.A.M.A. by friends in member companies. It will hang in the L.I.A.M.A. headquarters office in Hartford.

company was at that time making plans to enter the group field, but was not prepared to write this business. Mr. Bell was informed that he would have to submit the business elsewhere. He submitted the application to two other companies in the group field. These companies accepted the case and entered

contracts for payment of commissions to Mr. Bell, who was not then licensed for either company. Licenses for the two companies were issued to him on Feb. 5, 1951.

Subsequently, the insurance department suspended the agent's license upon a finding that he had violated the terms of the D. C. licensing law by acting as an agent for two group health companies without being licensed. The companies withheld his commissions to protect their licenses.

Mr. Bell had contended that he had acted within the statute allowing a licensed agent of one company to place an excess or rejected risk with another company without obtaining an additional license. Both the department and the court ruled against him. The court ruled that this was not a rejected risk as contemplated by the statute. The court backed up the superintendent saying that the term "rejected" does not include risks which are rejected as a class. Where a company does not write a form of insurance, an application for a policy of that sort would not be considered rejected, because rejection involves consideration.

## Jackson Leaves LIAMA for NALU

Lawrence W. Jackson has been appointed associate director of field service for the National Assn. of Life Underwriters. Mr. Jackson will, in addition to performing other duties, serve as aide to the newly-created general agents and managers conference of N.A.L.U.

He has been consultant in the company relations division of L.I.A.M.A. He graduated from Tarkio college in Missouri before entering the business as an agent for State Mutual at Pittsburgh for four years. During the last year he served as Red Cross field director.

Upon his return, Mr. Jackson was appointed executive secretary for the Pennsylvania association for four years. He joined L.I.A.M.A. in 1950. He also served as a member of the manager's handbook editorial advisory board and of the teaching staff of the schools in agency management, and was a staff representative on the relations with universities committee.

Pacific Mutual employees have put a total of 21,430 pennies back into circulation as a result of a "Raid Your Piggy Bank" drive sponsored by their publication, "Home Office News."

## RECORDS

Provident Mutual's new paid business for the first nine months of 1951 totaled \$34,050,000, while insurance in force rose to \$1,435,931,000. The gross return on investments as of Sept. 30, 1951, was 3.45% as against a gross of 3.32% for the corresponding date in 1950.

Fidelity Mutual Life reports its largest paid volume in company history for the first 10 months. New paid volume is 4% ahead of last year, and October volume is 38% ahead of October, 1950.

Northwestern National agents wrote a total of \$11,535,631 in ordinary business in October which was 18% ahead of October, 1950. The White & Odell agency under Ray Habermann led the company with \$2,374,740.

Paid production for Ohio State Life totaled \$20 million for the first nine months, a gain of more than 20% over the same period a year ago, and a company record. Insurance in force totaled \$299,970,000, a 40% gain over the first nine months of 1950.

Upward production trends were maintained by Pacific Mutual in October, with substantial gains in both amount and number of applications including commercial A. & H. as well as in life.

Franklin Life's new business in October exceeded \$25 million, an increase of 48.5% over the same month last year.



W. L. Moody, Jr., president of American National, on the left, congratulates W. L. Vogler, executive vice-president, at the conclusion of the October ordinary production contest in honor of Mr. Vogler. This year the contest month outstripped any month in the history of the company for ordinary life production. Production amounted to \$47,323,492, 107% more than the amount written a year ago during a similar contest for Mr. Vogler. In addition, the company received more than \$20 million of industrial, credit life, group and A. & H. business.

Paid production during the first 10 months of 1951 reflects a gain of 28.6% over the same period last year.

Insurance in force of United Fidelity Life of Dallas has increased from \$108,238,114, 12 months ago to \$114,078,464. Assets in the past year have increased from \$22,252,028 to \$24,407,764.

## Convention Dates

Dec. 2-6, National Assn. of Insurance Commissioners, Hotel Commodore, New York City.

Dec. 11-12, Life Insurance Assn. of America, annual meeting, Waldorf-Astoria hotel, New York City.

Dec. 13, Institute of Life Insurance, annual meeting, Waldorf-Astoria hotel, New York City.

1952

March 17-19, Small companies spring conference of L.I.A.M.A., Edgewater Beach Hotel, Chicago.

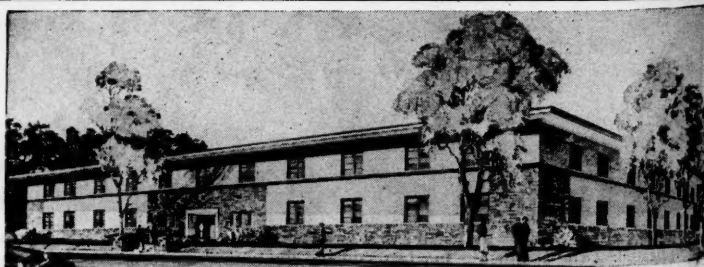
May 12-14, large companies spring conference of L.I.A.M.A., the Greenbrier, White Sulphur Springs, W. Va.

May 26-28, H. & A. Underwriters Conference annual, Cosmopolitan hotel, Denver.

For the eighth consecutive year Nat Kaufman, Shelbyville, Ind., general agent of Indianapolis Life, has qualified for the Million Dollar Round Table, qualifying this year in less than seven months. He has written from one to 15 applications every week for the last 11 years.

Harrison Brothers of Harrison S. Brothers & Co., investors, spoke at a dinner meeting of Salt Lake managers on "Inflation and Its Effect on the Insurance Investment Field."

Elmer C. Moore, Million Dollar Round Table producer with New York Life at Wichita and trustee of N.A.L.U., gave the final finance forum talk before Federation of Women's Clubs there on "Life Insurance Problems."



This is the architect's perspective of the new home office building now under construction for Great Southern Life at Houston. The view is from the Dunlavy street side.

## Court Turns Down United Benefit Life Purchase Plan

District Judge Jackson B. Chase of Omaha has ruled that Mutual Benefit H. & A. does not have legal authority to purchase the stock of United Benefit Life. Mutual Benefit had asked for a declaratory judgment, and will appeal the district court decision.

United Benefit Life was to have been sold for \$23 million to Mutual Benefit, and it is understood there is an escalator clause in the contract which provides for an increase in the purchase price at specified intervals.

The declaratory judgment law in Nebraska makes it possible to obtain a court interpretation of legislative acts before acting in reliance upon them. The law in question here was a new one which allows an insurance company to own the stock of a subsidiary. Judge Chase held that this statute did not go far enough to warrant the proposed purchase of United Benefit Life by Mutual Benefit. The sale had the prior approval of a special committee of National Assn. of Insurance Commissioners.

According to Yale C. Holland, counsel of Mutual Benefit, the court held that the negotiations for the sale were fairly conducted and that there had been nothing in the way the parallel operations of the companies had been conducted in the past that could prevent the purchase.

The contract had once before been subject to some litigation when a New York attorney representing some policy holders of Mutual Benefit H. & A. contended that Mutual Benefit policyholders were not getting a fair deal. This question had been settled and had the Omaha district court ruled favorably the companies could have gone ahead with the sale immediately.

## FRATERNALS

### Fidelity Life Sales for October Set New Record

New life insurance sales of \$713,000 for October are reported by Fidelity Life of Fulton, Ill. It was not only the best month of the year, but also the most successful October in Fidelity Life's history, up 9% over the record-breaking October of a year ago. Wisconsin, Illinois and Kansas divisions led in the submission of new business.

### Aid Association Wis. Rally

Wisconsin field men of Aid Association for Lutherans held a two-day meeting at Wausau, with the W. C. Birney agency as host. Guest speaker was E. H. Lattimer, Northwestern Mutual Life Wausau, on "Simple Sales Ideas." Herbert G. Lenz, agency director of Aid Association, spoke on "What's New for 1952?" Presiding was Carl P. Trobenbach, Green Bay, state president. Agents who spoke were Forest E. Winters, Fort Atkinson, and G. H. Shaeffer, Milwaukee. T. A. Duckworth, personnel director of Employers Mutuals of Wausau, spoke at the banquet.

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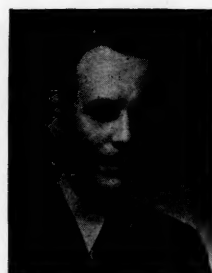
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## Shoemaker, Stick to Your Last!

*A motivating story—as related by Provident Mutual's General Agent in Albany, Ernest H. Perkins, C.L.U.*

**W**E continually advocate that business and professional men stick to their work, make their money in the field for which they are trained and experienced, buy life insurance with their surplus earning power and let the professionals in the life insurance home offices worry about the investment. Occasionally we find a professional man who thinks he knows how to invest his surplus money better. We have such a case before us now.

He was a most distinguished doctor in our territory. His practice and income were large. He had surplus money which he liked to invest with the hope of large profits, considering himself to be a benefactor to friends in need of temporary capital. In 1922, at age 49, one of our agents persuaded him to hedge on one of these investments in a printing business by buying \$25,000 of ordinary life. That was all he would take, although he could have afforded much more.

The business had troubles continually. Our doctor devoted much time and money to it and in 1929 borrowed \$1000 on his policy to raise more money. In 1932 he changed from yearly to quarterly premium payments. In 1939 when he was age 66 he borrowed \$700 more. His earned income began to fall off, his investments dwindled and he has had difficulty earning enough money to pay his living expenses, premiums and interest. Since 1941, or since age 68, further loans have been made periodically to make up this needed difference. He has now borrowed more than \$15,000 on his policy and at age 78 has used up all the cash value; his reserves both in and out of life insurance are gone; and his earning capacity is not enough to pay living costs, let alone premiums and interest. We are at the end of our ability to serve further.

Over the past years I have tried to counsel with him, personally, by letter and through the agent. By the time he would listen to me, it was too late. He is at the end of his rope and there is nothing more we can do, except to remind others who are younger where the pathway leads.

Sales quotes



from "Provident Notes" . . .

a monthly magazine  
published for the agents of

**PROVIDENT MUTUAL**

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PREFERRED RISK  
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**Unusual benefits  
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**Liberal first year commissions  
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